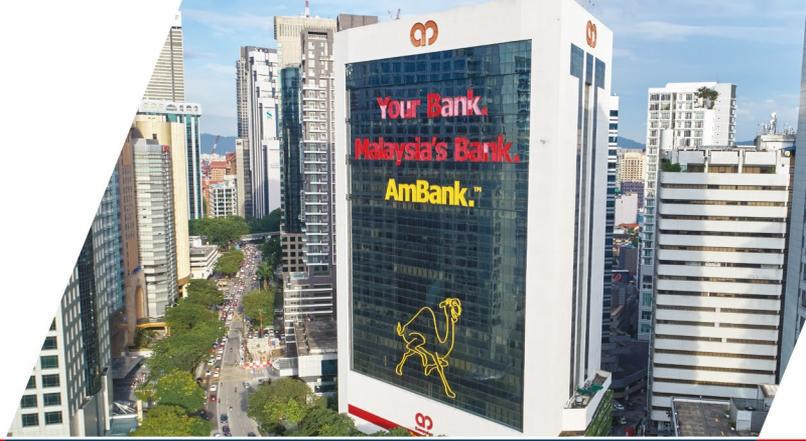




AmFIRST

Real Estate Investment Trust



ANNUAL REPORT 2022





IN THIS REPORT

10th Annual General Meeting

Meeting Venue

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Day and Date

Thursday, 21 July 2022

Time

10:00 a.m.



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Annual Report 2022 online



Scan the QR Code to download
the documents for the 10th AGM

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FY2022 AT A GLANCE



Asset Under Management

RM1,608.7 million
(31.3.2021 : RM1,628.5 million)



Gross Revenue

RM99.6 million
(FY2021 : RM107.3 million)



Net Property Income

RM59.3 million
(FY2021 : RM65.0 million)



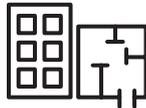
Realised Net Profit

RM22.2 million
(FY2021 : RM21.5 million)



DPU Per Unit

3.02 sen
(FY2021 : 2.82 sen)



NAV Per Unit
(After Income Distribution)

RM1.1633
(31.3.2021 : RM1.1857)



Closing Unit Price

38.0 sen
(31.3.2021 : 42.5 sen)



Gearing

49.1%
(31.3.2021 : 48.7%)



FIVE-YEAR FINANCIAL HIGHLIGHTS

	FY2018	FY2019	FY2020	FY2021	FY2022
Summary of Financial Position					
Investment Properties	1,639,993	1,642,331	1,647,140	1,628,489	1,608,747
Total Asset Value	1,664,385	1,671,846	1,679,146	1,673,720	1,661,275
Net Asset Value ("NAV")	849,364	844,544	840,744	823,632	811,749
Borrowings	779,042	791,085	798,669	814,702	815,214
Gearing (%)	46.81	47.32	47.56	48.68	49.07
Units in Circulation (Units)('000)	686,402	686,402	686,402	686,402	686,402
NAV Per Unit (RM):					
- Before proposed final income distribution	1.2374	1.2304	1.2249	1.1999	1.1826
- After proposed final income distribution	1.2166	1.2091	1.2100	1.1857	1.1633
- Highest NAV during the year (ex-distribution)	1.2716	1.2438	1.2347	1.2340	1.2055
- Lowest NAV during the year (ex-distribution)	1.2166	1.2091	1.2071	1.1857	1.1643

Summary of Financial Results					
Revenue	118,745	121,229	120,682	107,303	99,647
Net Property Income	80,686	79,942	76,565	64,969	59,255
Profit for the financial year, consisting of:					
- Realised	30,686	28,205	25,493	21,513	22,185
- Unrealised	(19,356)	(5,912)	(1,906)	(18,788)	(16,840)
Total	11,330	22,293	23,587	2,725	5,345

Distribution Per Unit ("DPU")(Sen)					
Interim	2.12	1.87	1.86	1.40	1.09
Final	2.08	2.13	1.49	1.42	1.93
Total	4.20	4.00	3.35	2.82	3.02

Financial Ratios					
Distribution Yield (based on the respective closing market price)(%)	7.00	7.48	8.27	6.64	7.95
Management Expense Ratio ("MER") (%) ¹	0.98	1.01	1.05	1.39	0.76
Portfolio Turnover Ratio ("PTR") (Times) ²	-	-	-	-	-

(1) The calculation of MER is based on total fees incurred by AmFIRST REIT, including the Manager's fees, Trustee's fees, Auditors' fees, Tax Agent's fees and administrative expenses, to the average NAV during the financial year.

(2) 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 NAV during the financial year.

FIVE-YEAR FINANCIAL HIGHLIGHTS

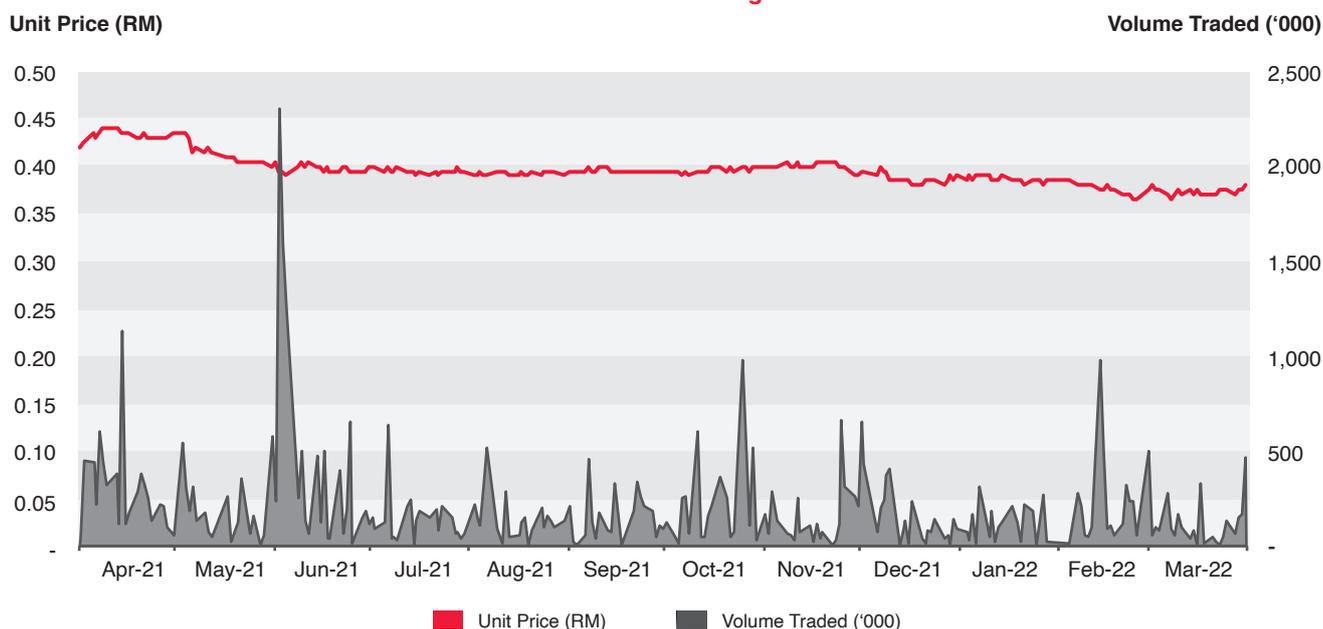
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FY2018 FY2019 FY2020 FY2021 FY2022

Unit Price Performance (RM)

As at 31 March	0.60	0.535	0.405	0.425	0.380
Highest traded price during the year	0.825	0.615	0.545	0.460	0.445
Lowest traded price during the year	0.60	0.515	0.355	0.380	0.365
Average traded price during the year ³	0.71	0.57	0.477	0.412	0.403
Average volume traded per day (Units) ('000)	192	121	374	317	198

FY2022 Unit Price and Trading Performance



FY2018 FY2019 FY2020 FY2021 FY2022

Total Return (%) ⁴

Change in Unit Price	(29.79)	(11.45)	(27.66)	4.82	(11.18)
Income Distribution	5.96	7.05	7.13	6.80	7.50
Total Return	(23.83)	(4.40)	(20.53)	11.62	(3.68)

Average Annual Return (%) ⁵

One year	(3.7)
Three years	(4.2)
Five years	(8.2)
Since the listing date (21 December 2006)	0.8

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

(4) Total Return is based on the actual gross income distribution and net change in Unit Price at the opening and closing of the financial year, over the average Unit Price of the opening and closing of the respective financial year.

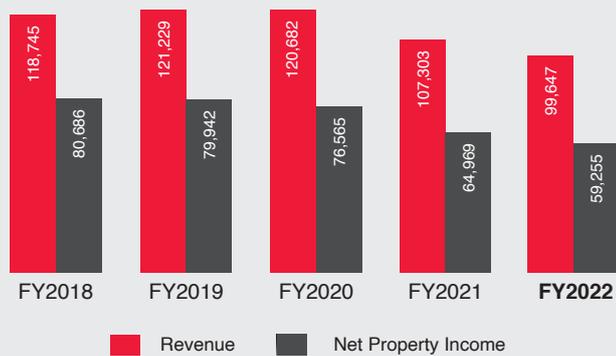
(5) Average Annual Return is computed based on Total Return per unit for the period averaged over number of years.

Past performance is not necessarily indicative of future performance, Unit Prices and investment returns may fluctuate.

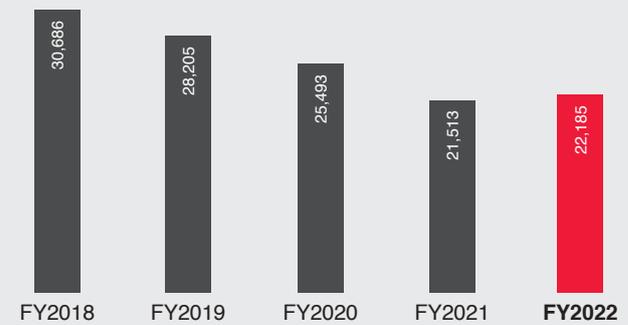
FIVE-YEAR FINANCIAL HIGHLIGHTS

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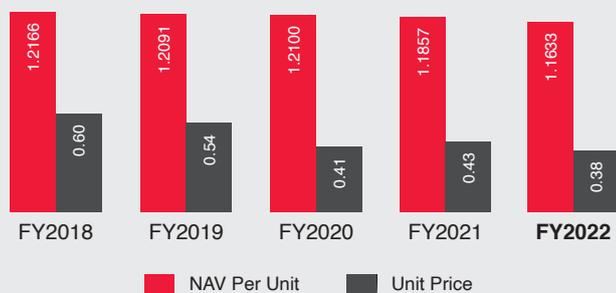
Revenue and Net Property Income (RM'000)



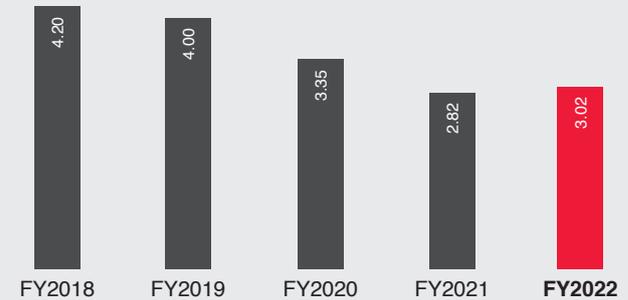
Realised Net Income (RM'000)



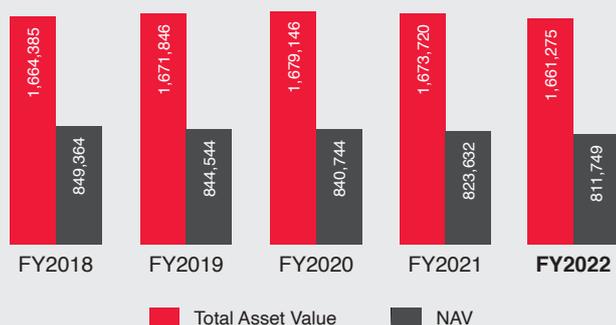
NAV Per Unit (after proposed income distribution) and Closing Unit Price (RM per Unit)



Distribution Per Unit (Sen per Unit)



Total Asset Value and NAV (RM'000)



Gearing (%)

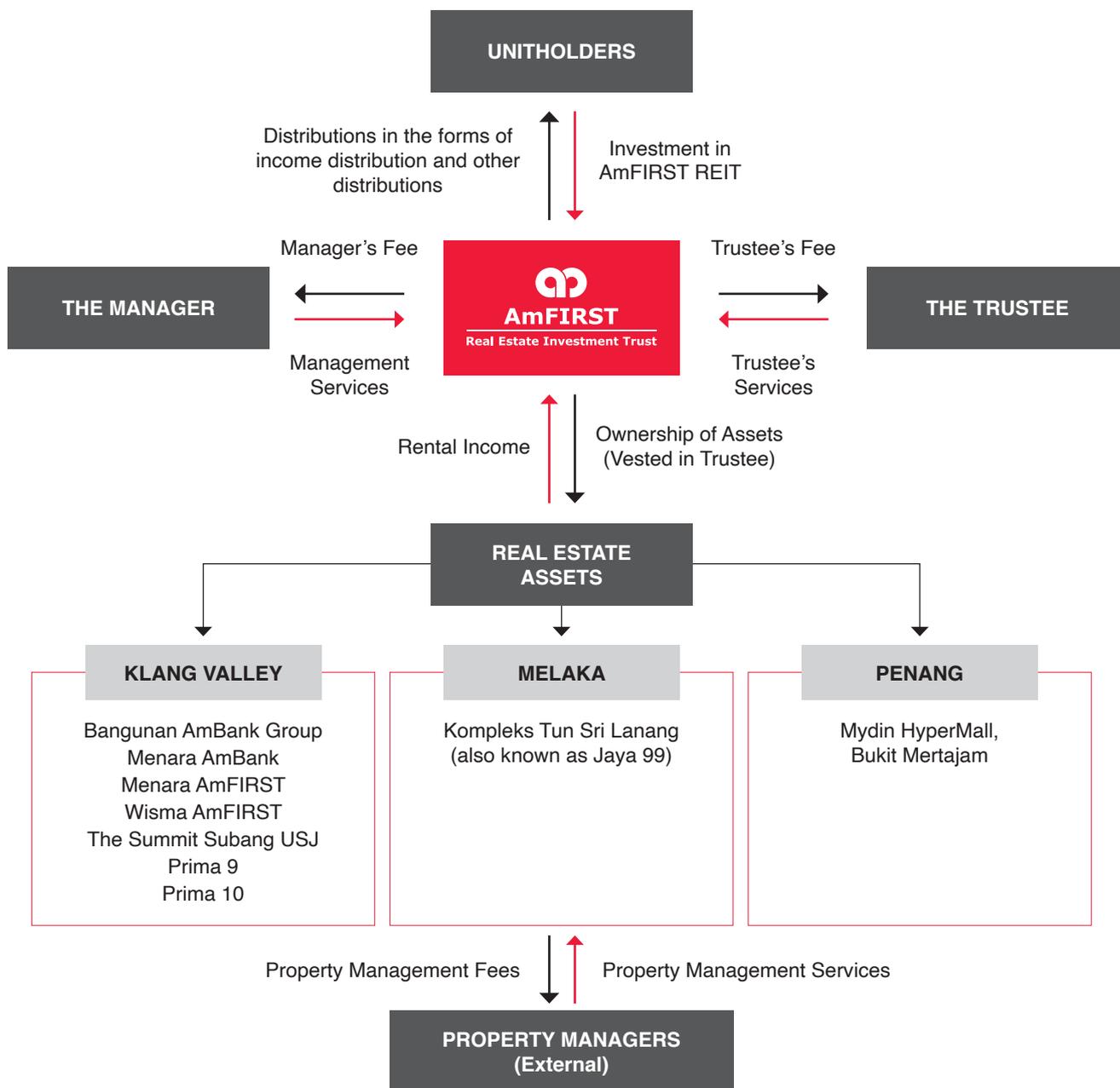


ABOUT AmFIRST REIT

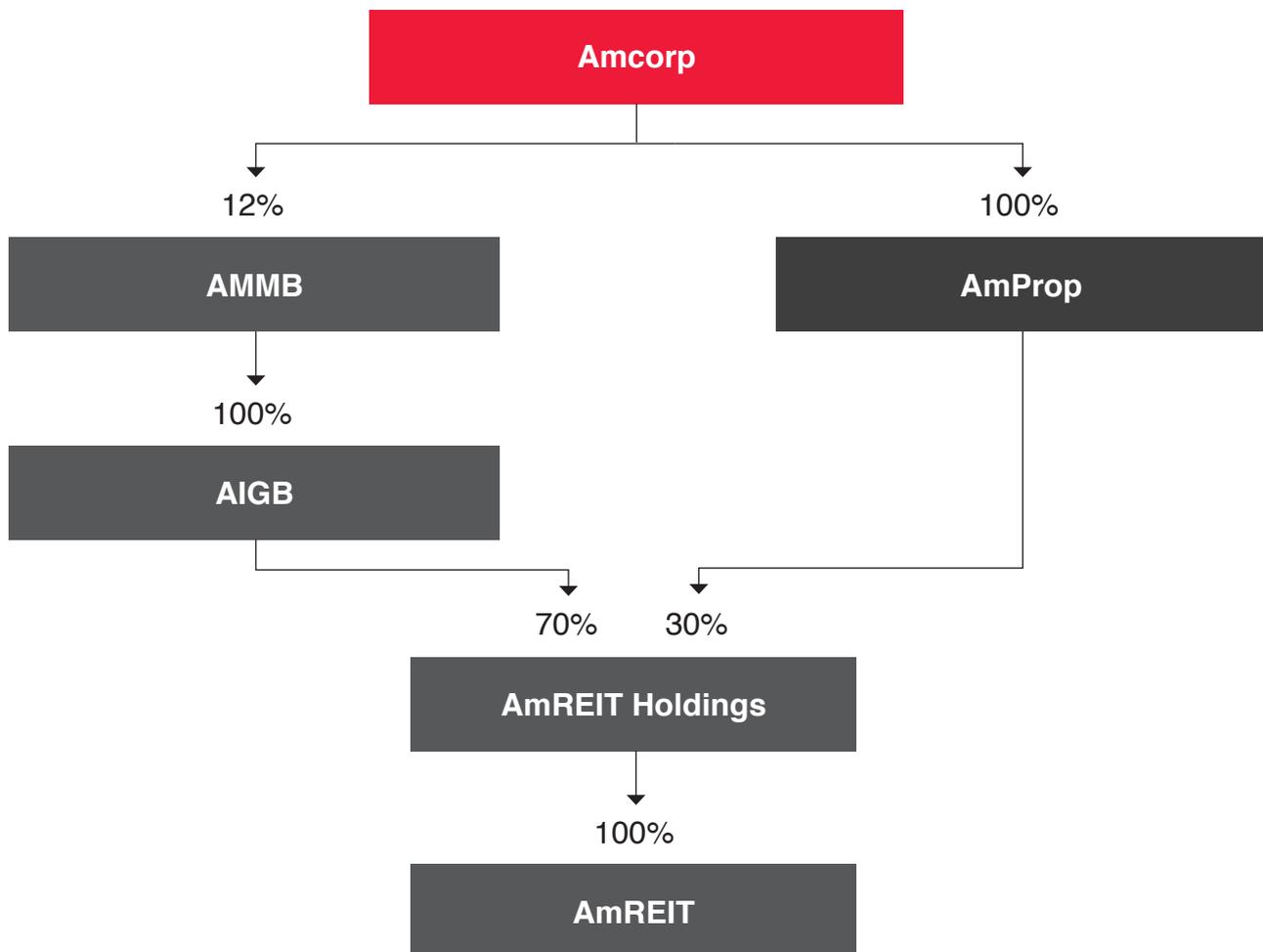
AmFIRST Real Estate Investment Trust (“AmFIRST REIT” or the “Trust”) is a real estate investment trust established in Malaysia and constituted under the Deed dated 28 September 2006 (“Original Deed”) (as amended by the First Supplemented, Revised and Restated Trust Deed dated 15 December 2006 (“First Deed”), the Second Restated Deed dated 13 September 2013 (“Second Deed”) and the Third Restated Deed dated 12 June 2020 (“Third Deed” or the “Deed”) entered into between AmREIT Managers Sdn Bhd (“AmREIT” or the “Manager”) and Maybank Trustees Berhad, as the Trustee of AmFIRST REIT (the “Trustee”). The Third Deed has superseded the Original Deed, the First Deed and the Second Deed.

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

AmFIRST REIT has a diverse portfolio of nine (9) properties located in the Klang Valley (including Cyberjaya), Melaka and Penang with a total Net Lettable Area (“NLA”) of 3.2 million sq ft as at 31 March 2022.



ABOUT THE MANAGER



AmFIRST REIT is managed by AmREIT which is responsible for the management and administration of AmFIRST REIT, as well as the implementation of the Trust's investment and business strategies.

The Manager was incorporated in Malaysia on 20 April 2006 and is wholly-owned by AmREIT Holdings Sdn Bhd ("AmREIT Holdings") which in turn is 70% owned by AmInvestment Group Berhad ("AIGB") and 30% owned by Amcorp Properties Berhad ("AmProp").

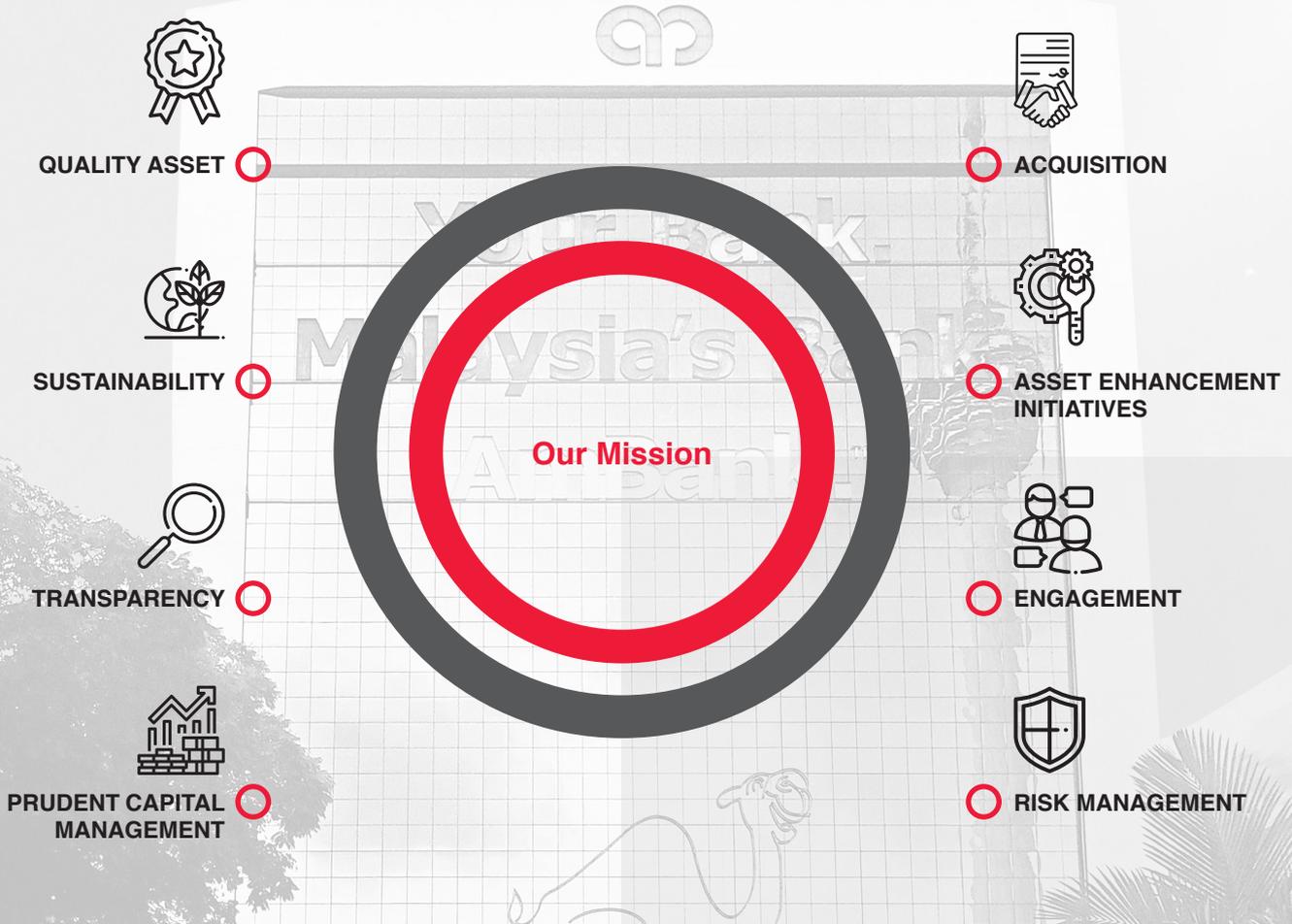
AIGB is a wholly owned subsidiary of AMMB Holdings Berhad ("AMMB"). AMMB is a public limited liability company incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia. The principal activity of AMMB is that of investment holding and its subsidiaries provide a wide range of wholesale banking, business banking, retail banking, investment banking and related financial services which include Islamic banking, general insurance, life insurance, family takaful, stock and share broking, futures broking, investment advisory and management services in assets, real estate investment trust and unit trusts. There have been no significant changes in the nature of the principal activities.

AmProp is a wholly owned subsidiary of Amcorp Group Berhad ("Amcorp"), which is also a substantial shareholder of AMMB, the ultimate holding company of AmREIT.

Amcorp is an established investment holding company incorporated in Malaysia that is involved in many facets of businesses, with its core in financial services and property development and investment. In financial services, it mainly provides personal loans through strategic tie-ups with business partners which employ a unique distribution-collection mechanism. The property division involves in projects both in Malaysia as well as other prime cities overseas such as London, Hong Kong, Shanghai, Madrid and Singapore. Amcorp also invests in the business of renewable energy generation, and mechanical and electrical engineering.

MISSION AND CORE VALUES

We focus 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

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.



RESPECT



EXCELLENCE



INTEGRITY



TEAMWORK

FUND INFORMATION

Item	Brief Description
Name of Trust	AmFIRST REIT
Category of Trust	Real Estate Investment Trust
Type of Trust	Income and growth
Term of Trust	The Trust has no fixed termination date. However, the Deed provides a number of circumstances under which the Trust may be terminated.
Investment Objective	The key objective 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 of real estate and real estate-related assets.
Investment Strategies	<p>The principal strategies are as follows:</p> <ul style="list-style-type: none"> • 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 property portfolio through proactive marketing, advertising and promotional efforts; • Develop close tenant-landlord relationships to maximise tenant retention; • Monitor and optimise 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.
Permissible Investments	<ul style="list-style-type: none"> • Invest in real estate, non-real estate assets and cash, deposit and money market instruments. • At least 75% of AmFIRST REIT's total assets must be invested in real estate that generates recurring rental income at all times.
Borrowings Limit	Not exceeding 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	<ul style="list-style-type: none"> • Income distributions will be paid on a semi-annual basis (or such other intervals as determined by the Manager). • The Manager intends to distribute at least 90% of the distributable income for each financial year.
Revaluation Policy	The properties are revalued annually pursuant to Malaysian Financial Reporting Standard 140 and Clause 10.02(b)(i) of the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts ("SC's Listed REIT Guidelines").

CHAIRMAN'S STATEMENT

Dear Valued Unitholders,

I am pleased to present to you the Annual Report and Audited Financial Statements of AmFIRST Real Estate Investment Trust ("AmFIRST REIT" or the "Trust"), for the financial year ended 31 March 2022 ("FY2022").

PERFORMANCE REVIEW

Due to the COVID-19 pandemic, the year 2021 was a year of challenges, turbulence and recovery. Similar to many organisations, we experienced unprecedented economic volatility and disruptions to our day-to-day functions. The country experienced various Movement Control Orders ("MCO"), implementation of national recovery plan (from Phase 1 to Phase 4) before the full border reopening on 1 April 2022.

Amidst the challenging market conditions, AmFIRST REIT recorded lower gross revenue of RM99.6 million for FY2022, a decrease of 7.1% compared to FY2021. This was mainly due to lower average occupancy caused by non-renewal of tenancies and lower carpark income. Notwithstanding the lower gross revenue, the Trust recorded a higher realised net income available for distribution of RM22.2 million in the current financial year compared to RM21.5 million for FY2021 as a result of lower property expenses and interest expense as well as reversal of expected credit loss allowance.

The average occupancy of the Trust has dropped to 79% as at 31 March 2022 from 83% as per the preceding FY2021 due to lower occupancy recorded at Prima 9, Jaya 99, The Summit Office and Retail and Menara AmFIRST.

Property expenses were lower by 4.6% as compared to the preceding year mainly due to a one-off reduction in service charges from The Summit Subang USJ Management Corporation, assessment rebate received and lower electricity consumption throughout the asset portfolio.

Interest expense was lower by 7.6% or RM2.2 million as a result of the various reductions in OPR.

The revaluation of all the investment properties conducted as at 31 March 2022 has recorded a fair value loss of RM17.8 million. Overall, including the unrealised losses on fair value adjustment, the Trust recorded profit after taxation of RM5.3 million for FY2022 compared to RM2.7 million in FY2021.

During the financial year, AmFIRST REIT has paid interim income distribution of 1.09 sen and together with the declared final income distribution of 1.93 sen, the Trust is expected to distribute a total distribution per unit ("DPU") of 3.02 sen for FY2022, higher by 3.4% YoY. The total DPU of 3.02 sen translates to a distribution yield of 7.9% based on AmFIRST REIT's closing price of 38.0 sen as at 31 March 2022.



Soo Kim Wai
Chairman

ECONOMY OVERVIEW

The year 2022 began with the hope that the pandemic would stabilise, bringing with it a return to normalcy for the global and Malaysian economy. It is timely that Malaysia has joined the growing number of nations that are transitioning towards endemicity.

With the transition to endemicity, restrictions previously imposed to curb the spread of COVID-19 have eased, which sees the full resumption of many economic sectors and activities. However, there remained concerns on the impact of the ongoing Russia-Ukraine conflict, rising inflation and global supply chain disruptions which may dampen economic recovery.

PROPERTY MARKET REVIEW

For 2022, National Property Information Centre ("NAPIC") expects the property market to remain challenging although momentum is improving on the back of the transition to the endemic phase of COVID-19, with borders reopening and the lifting of restrictions.

The supply of purpose-built offices in Kuala Lumpur went up marginally by 1.25% from 9.275 million sqm in 2H 2020 to 9.391 million sqm in Q3 2021 whereas the supply of purpose-built offices in Selangor stood at 4.075 million sqm. Last year saw the addition of 70,000 sqm of purpose-built office space, bringing it to a total of 23.969 million sqm compared to 23.179 million sqm in 2020. Despite the slight increase in take-up rates for these offices, the total occupancy rate dropped nearly 2% in 2021 to 78.3%. The office market is expected to remain subdued due to demand lagging behind supply.

CHAIRMAN'S STATEMENT

continued

PROPERTY MARKET REVIEW (CONTD.)

Meanwhile, vacancies in malls have more or less stagnated within the same five-year period, but the additions of new and often bigger complexes have dragged the occupancy rate down to 76.3% as per last year. The gradual normalisation of economic and social activities will augur well for the general recovery of Malaysia's retail sector.

SUSTAINABILITY EFFORT AND REPORTING

We remain dedicated to realising the sustainable development agenda and have disclosed our initiatives in our annual Sustainability Statement. The Sustainability Statement which has been prepared in accordance with the requirements of Bursa Malaysia presents our approach to managing our material sustainability matters in the context of material Environmental, Social and Governance ("ESG") risks and opportunities. To us, sustainability represents long-term and meaningful value creation for our internal and external stakeholders, while being mindful of our impact on the local community and surrounding environment.

This year, as we aim towards achieving Net Zero Emissions by 2050, we have taken a step forward by charting our sustainability commitment in the form of a 3-Year ESG Roadmap. The Roadmap specifies ten (10) key focus areas, including climate change, and their respective key performance indicators ("KPIs") that will enable us to achieve our long-term sustainability goals.

MOVING FORWARD

The uncertain global economic outlook, rising inflationary pressure coupled with the Russia-Ukraine conflict will continue to pose challenges in 2022. We will tread with caution and adopt appropriate strategic and operational measures to deliver sustainable income distribution to Unitholders. We are mindful that we are still not out of the woods yet and will remain proactive, vigilant and agile.

CHANGES IN THE BOARDROOM

On behalf of the Board, I would like to express our gratitude to YBhg Tan Sri Mazlan bin Mansor who had served as Independent Non-Executive Director until 28 February 2022. I would like to thank Tan Sri Mazlan for his contributions during his tenure with us and wish him well in his future undertakings.

IN APPRECIATION

On behalf of the Board, I would like to convey my sincere appreciation to the members of the Board, Management, and employees for their continued dedication and commitment in these challenging times. I would also like to express my gratitude to the Trustee, regulators, business partners, tenants and bankers for your contributions and continuous support for AmFIRST REIT. In closing, I would like to thank all our Unitholders for your unwavering support through the years.

Sincerely,

Soo Kim Wai
Chairman

26 April 2022



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

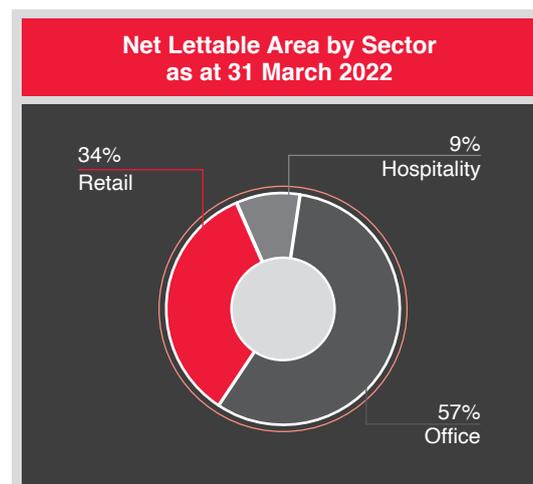
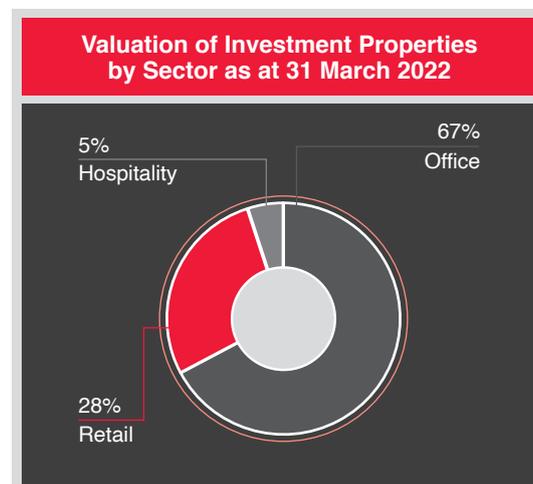
AmFIRST REIT was constituted pursuant to the execution of a Deed dated 28 September 2006 entered by the Manager and the Trustee. It was listed on the Main Market of Bursa Malaysia on 21 December 2006.

The principal activity of AmFIRST REIT is to own and invest in a portfolio of commercial properties in major growth areas of Malaysia.

There were no material changes in the portfolio composition of AmFIRST REIT during FY2022. As at 31 March 2022, AmFIRST REIT owns a diverse portfolio of nine (9) properties located in the Klang Valley (including Cyberjaya), Melaka and Penang with a total NLA of approximately 3.2 million sq ft, totaling a fair value of RM1.6 billion.



The breakdown of the investment properties based on the latest valuation and net lettable area are depicted below:



The Trust's composition of investments properties as at 31 March 2022 is as tabulated below:

Properties	Location	Sector	Net Lettable Area (sq ft)	Latest Valuation	
				RM'000	%
Bangunan AmBank Group	Kuala Lumpur	Office	360,166	266,400	16.3
Menara AmBank	Kuala Lumpur	Office	458,450	322,350	19.7
Menara AmFIRST	Petaling Jaya	Office	158,450	64,600	3.9
Wisma AmFIRST	Kelana Jaya	Office	284,539	113,700	7.0
The Summit Subang USJ	Subang Jaya	Mixed Development	993,668	357,650	21.9
Prima 9	Cyberjaya	Office	111,224	73,100	4.5
Prima 10	Cyberjaya	Office	100,272	62,000	3.8
Jaya 99	Melaka	Office	225,912	100,804	6.1
Mydin HyperMall ¹	Bukit Mertajam	Retail	536,507	274,900	16.8
Total			3,229,188	1,635,504	100.0

(1) The figure for latest valuation for Mydin HyperMall was before the adjustment for accrued unbilled rental income of RM26.8 million.

MANAGEMENT DISCUSSION AND ANALYSIS

continued

BUSINESS OVERVIEW (CONTD.)

Investment Objectives

AmFIRST REIT's investment objectives are to:

- (i) deliver regular and stable income distributions to Unitholders; and
- (ii) achieve long-term growth in the NAV per unit through proactive management of the Trust's portfolio of assets and acquisition of yield accretive properties.

Investment Policies

(i) Permitted Investments and Restrictions

AmFIRST REIT is allowed to invest in real estate, single-purpose companies whose principal assets comprise of 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 SC's Listed REITs Guidelines or otherwise permitted by SC.

(ii) Portfolio Composition

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

- Invest in real estate, non-real estate assets and cash, deposit, and money market instruments.
- At least 75% of a REIT's total asset value must be invested in real estate that generates recurrent rental income at all times.

(iii) Diversification

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

(iv) Gearing

AmFIRST REIT is able to leverage on borrowings to make permitted investments that will enhance the returns to Unitholders. Under the SC's Listed REITs Guidelines, the borrowings of the REIT must not exceed 50% of the total asset value of the REIT. SC has announced on 12 August 2020 that Malaysian Real Estate Investment Trusts ("M-REITs") are permitted to temporarily increase the gearing limit from 50% to 60% of the total asset value. This temporary increase in gearing limit takes effect until 31 December 2022.

Investment Strategies

To achieve AmFIRST REIT's investment objectives, the Manager has employed the following three (3) key strategies:

(i) Operating Strategy

The Manager'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 optimising lettable space at the properties, minimizing interruptions in rental income and operational costs, and maintaining satisfactory service levels to tenants.

The following key operating and management principles will be applicable:

- Improve rental rates.
- Establish close relationships with tenants to ensure tenants' retention.
- Diversify tenants' base.
- Review tenants mix and re-configure existing space to meet tenants' expectations.
- Maintain high quality of the properties.
- Maximise the performance of each property.
- Improve operating efficiencies and customer service levels.
- Raise the profile of the properties.

(ii) Acquisition/Divestment Strategy

The Manager's acquisition strategy for AmFIRST REIT is based on the following criteria:

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

AmFIRST REIT intends to hold its properties on a long-term basis. At any opportune time when there are offers to acquire any of the properties which has reached a stage where it offers limited scope for growth to the Trust, the Manager may consider selling the property and utilise the proceeds for alternative investments that will add value to its portfolio or to optimise the gearing level.

(iii) Capital Management Strategy

The Manager's strategy for managing the capital structure of AmFIRST REIT involves adopting and maintaining an optimum debt-equity structure coupled with active interest rate management policy to manage the risks associated with interest rate fluctuations. The Manager believes these strategies can:

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

MANAGEMENT DISCUSSION AND ANALYSIS

continued

FINANCIAL REVIEW

The following table presents the selected financial information for FY2022:

	FY2022	FY2021	Changes	
	RM'000	RM'000	RM'000	%
Gross revenue:				
- Realised	96,625	102,927	(6,302)	(6.1)
- Unrealised (in relation to unbilled lease rental receivable)	3,022	4,376	(1,354)	(30.9)
	99,647	107,303	(7,656)	(7.1)
Property expenses	(40,392)	(42,334)	1,942	4.6
Net property income	59,255	64,969	(5,714)	(8.8)
Change in fair value of investment properties	(21,991)	(22,862)	871	3.8
Interest expenses	(26,803)	(29,002)	2,199	7.6
Non-property expenses	(6,191)	(11,639)	5,448	46.8
Profit before taxation	4,512	2,373	2,139	229.6
Taxation	833	352	481	136.7
Profit after taxation is made up as follow:				
- Realised	22,185	21,513	672	3.1
- Unrealised	(16,840)	(18,788)	1,948	10.4
	5,345	2,725	2,620	96.2
Distribution per unit ("DPU") (Sen):				
- Interim	1.09	1.40	(0.31)	(22.1)
- Final	1.93	1.42	0.51	35.9
	3.02	2.82	0.20	7.1
Closing Unit Price (RM)	0.380	0.425	(0.05)	(10.6)
Distribution yield (%) (based on respective closing price)	7.95%	6.64%	-	1.3%

Gross Revenue

The Trust registered an overall gross revenue of RM99.6 million, a decrease by RM7.7 million or 7.1% compared to RM107.3 million achieved in FY2021. The decrease was mainly due to the following:

- (i) decline in the rental contribution from The Summit Office and Retail, Prima 9, Menara AmFIRST and Jaya 99 as a result of lower occupancies; and
- (ii) lower carpark income.

The decrease in the gross revenue was partly offset by lower rental rebates given to tenants affected by COVID-19 pandemic in FY2022 of RM3.1 million compared to RM4.2 million rental rebates extended in FY2021.

MANAGEMENT DISCUSSION AND ANALYSIS

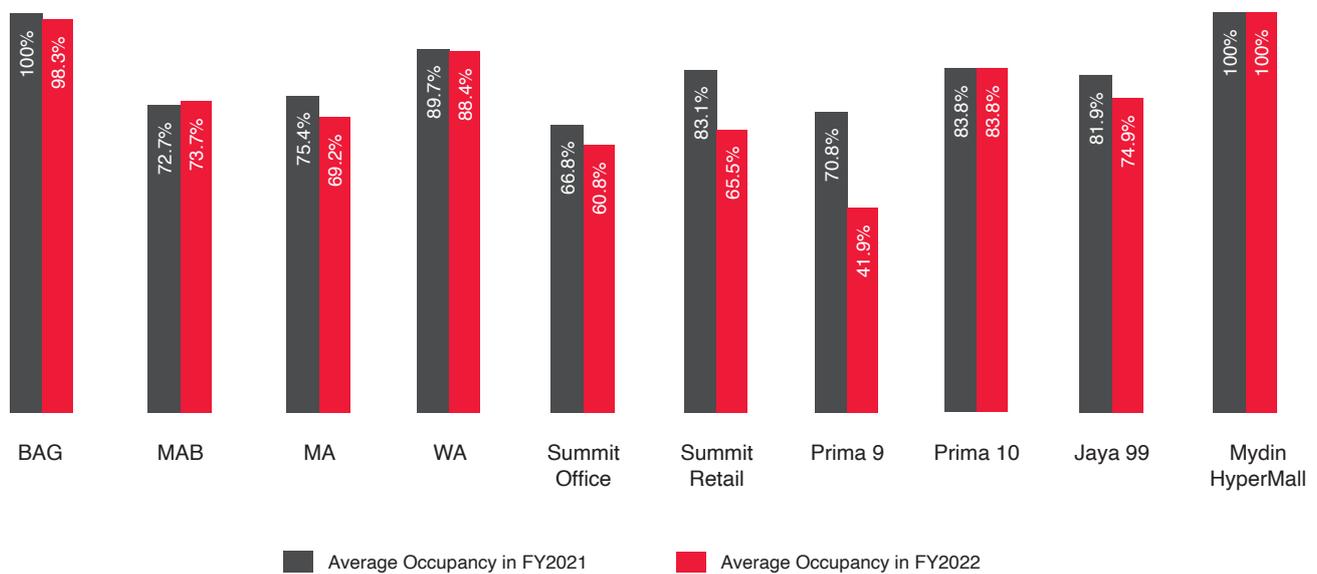
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FINANCIAL REVIEW (CONTD.)

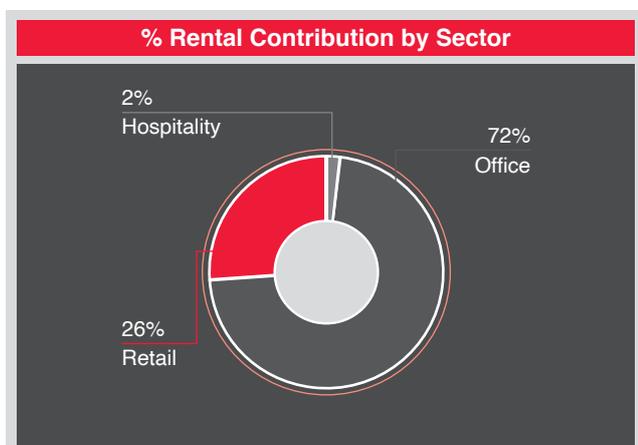
Gross Revenue (Contd.)

On the total portfolio basis, the average occupancy declined by 4.0% to 79.0% in FY2022 from 83.0% recorded a year earlier.

Average Occupancy (%)



The breakdown of the gross revenue by sectors are depicted below:



With the ongoing COVID-19 pandemic, the Trust continues to provide multiple financial assistance packages to the affected tenants including rental rebates. In FY2022, a total of RM3.1 million of rental rebates were extended to tenants affected by COVID-19 pandemic.

MANAGEMENT DISCUSSION AND ANALYSIS

continued

FINANCIAL REVIEW (CONTD.)

Property Expenses

	FY2022	FY2021	Changes	
	RM'000	RM'000	RM'000	%
Service charges - The Summit Subang USJ	10,710	12,043	(1,333)	(11.1)
Building maintenance expenses	9,961	9,650	311	3.2
Utilities expense	7,842	8,250	(408)	(5.0)
Assessment and rates	5,508	6,005	(497)	(8.3)
Property management fee and reimbursement	4,572	4,553	19	0.4
Other property expenses	1,321	1,392	(71)	(5.1)
Quit rent	478	441	37	8.4
Total property expenses	40,392	42,334	(1,942)	(4.6)
% of Gross Revenue	40.5%	39.5%		

The Trust recorded property expenses of RM40.4 million, a decline by RM1.9 million or 4.6% compared to RM42.3 million recorded in FY2021. The decrease was mainly attributed to the one-off rebate on service charges from The Summit Subang USJ's Management Corporation, assessment rebate and lower electricity cost.

Interest Expenses

Interest expenses were lower by RM2.2 million or 7.6% compared to FY2021. The decrease was mainly due to lower cost of fund arising from the various cuts in the policy rate during 2020.

Non-Property Expenses

The following table summarizes the non-property expenses for FY2022:

	FY2022	FY2021	Changes	
	RM'000	RM'000	RM'000	%
Manager's fees	6,808	7,088	(280)	(4.0)
Trustee's fee	329	336	(7)	(2.2)
Professional fees	785	778	7	0.8
(Reversal)/Allowance of ECL	(2,058)	2,934	(4,992)	(170.1)
Other expenses	327	503	(176)	(35.0)
Total non-property expenses	6,191	11,639	(5,448)	(46.8)

Non-property expenses were significantly lower by RM5.4 million or 46.8% compared to FY2021 mainly due to:

- (i) reversal of allowance of ECL of RM2.1 million in the current financial year as opposed to provision of allowance of ECL of RM2.9 million in the preceding financial year; and
- (ii) lower Manager's fees by 4.0% due to lower base fee and performance fee as a result of lower total asset value and lower net property income.

MANAGEMENT DISCUSSION AND ANALYSIS

continued

FINANCIAL REVIEW (CONTD.)

Changes in Fair Value of Investment Properties

Pursuant to Chapter 10, Section 10.02(b)(i) of SC's Listed REIT Guidelines, the Trust conducted the revaluation of all the investment properties as at 31 March 2022 and recorded fair value loss of RM17.8 million. The fair value loss was mainly attributed to the revaluation loss of Wisma AmFIRST, Prima 10, Jaya 99, Mydin HyperMall, The Summit Office and Menara AmFIRST.

Profit After Taxation

The Trust registered a profit after taxation of RM5.3 million, compared to RM2.7 million reported a year earlier. The profit after taxation was after the reversal of provision for deferred taxation of RM0.8 million arising from the revaluation loss of the assets under the portfolio. The provision for deferred taxation was made for the deferred tax liability for the Real Property Gain Tax ("RPGT") exposure on the cumulative fair value gain of investment properties that are expected to be realised through sale, as disclosed in Note 10 to the financial statements.

The following table provides the breakdown of profit after taxation between realised and unrealised:

	FY2022	FY2021	Changes	
	RM'000	RM'000	RM'000	%
Realised net income	22,185	21,513	672	3.1
<u>Unrealised gain/(loss):</u>				
Changes in fair value of investment properties	(17,845)	(19,610)	1,765	9.0
Fair value adjustment on derivative financial instruments	-	910	(910)	(100.0)
Gain/(loss) on financial liabilities measures at amortised cost	172	(440)	612	139.1
Provision for deferred taxation	833	352	481	136.6
	(16,840)	(18,788)	1,948	10.4
Profit after taxation	5,345	2,725	2,620	96.2

Excluded the unrealised fair value gain/(loss), the Trust generated higher realised net income of RM22.2 million compared to RM21.5 million in the preceding financial year. This realised net income of RM22.2 million was translated to realised earnings per unit of 3.23 sen.

MANAGEMENT DISCUSSION AND ANALYSIS

continued

FINANCIAL REVIEW (CONTD.)

Income Distribution

	FY2022	FY2021	Changes	
	RM'000	RM'000	RM'000	%
Distributions:				
Interim income distribution	7,482	9,610	(2,128)	(22.1)
Final income distribution	13,247	9,747	3,501	35.9
Total distributions	20,729	19,357	1,373	7.1
Distribution Per Unit (Sen):				
Interim income distribution	1.09	1.40	(0.31)	
Final income distribution	1.93	1.42	0.51	
Total distributions	3.02	2.82	0.20	
% distributions over realised net income	93%	90%		

Including both the interim and final income distributions for FY2022, the Trust has distributed 93% of the current financial year realised net income as income distribution, where the balance 7% or RM1.5 million of the current year's realised net income is retained for working capital requirements and to finance the ongoing and planned capital expenditure.

On a cumulative basis, the current year income distribution of 3.02 sen was higher by 7.1% compared a last year. The income distribution of 3.02 sen remains in line with the Trust's distribution policy to distribute at least 90% of the distributable income for each financial year

Key Financial Position

	As at	As at	Change
	31 March 2022	31 March 2021	
	RM'000	RM'000	%
Investment properties	1,608,747	1,628,488	(1.2)
Trade receivables	12,267	10,843	13.1
Total asset value	1,661,275	1,673,720	(0.7)
Borrowings	815,214	814,702	0.1
Net asset value ("NAV")	811,749	823,632	(1.4)
Gearing (%)	49.07	48.68	0.4
Closing Unit Price (RM)	0.380	0.425	(10.6)
Units in circulation (Units) ('000)	686,402	686,402	-
Market capitalisation	260,833	291,721	(10.6)
NAV per Unit (RM):			
- Before proposed final distribution	1.1826	1.1999	(1.4)
- After proposed final distribution	1.1633	1.1857	(1.9)

MANAGEMENT DISCUSSION AND ANALYSIS

continued

FINANCIAL REVIEW (CONTD.)

Investment Properties

The Trust's portfolio of nine (9) properties were revalued at RM1,635.5 million as at 31 March 2022 by independent valuers, a decrease by RM15.6 million or 0.9% compared to the fair value as at 31 March 2021.

In FY2022, the Trust spent a total RM2.2 million in capital expenditures mainly at The Summit Retail. The Trust undertakes capital expenditures to improve its properties with the objective to preserve and/or improve the quality of its assets, hence the services provided to the tenants. These capital investments include property improvement with the objective to increase the leasable of its properties

Trade Receivables

Trade receivables increased by RM1.4 million or 13.1%, from RM10.8 million as at 31 March 2021 to RM12.3 million as at 31 March 2022. Most of these trade receivables were arising from the rental installment or deferment scheme offered to tenants impacted by COVID-19 pandemic.

Total Asset Value

Total asset value as at 31 March 2022 was RM1,661.3 million, representing a decrease by 0.7%, compared to RM1,673.7 million as at 31 March 2021, mainly due to the decline in revaluation value of investment properties.

Total Borrowings

As at 31 March 2022, the Trust's total borrowings amounted to RM815.2 million compared to RM814.7 million as at 31 March 2021. The increase relates to the drawdowns of additional borrowings to finance the ongoing capital expenditures as well as working capital requirements.

Net Asset Value

As at 31 March 2022, the NAV of RM811.7 million which translated to NAV Per Unit of RM1.1826 representing a marginal decrease of 1.4% compared to 31 March 2021 mainly due to revaluation loss of investment properties of RM17.8 million in the current financial year.

Unit Price and Market Capitalisation

Unit price registered a decrease by 10.6% from the opening price as at 1 April 2021 of RM0.425 to a closing price of RM0.380 as at 31 March 2022.

Based on the closing Unit Price of RM0.380 and 686,401,600 units in circulation, market capitalisation as at 31 March 2022 was RM260.8 million.

CAPITAL AND INTEREST RATE MANAGEMENT

Prudent Capital Management

The Trust's capital management strategy is to have a balance funding structure and diversify funding sources that will optimize the returns to Unitholders and this strategy will continuously assessed and reviewed by the Manager.

As at 31 March 2022, the Trust's gearing stood at 49.1%. The Manager continue to explore various means to optimise gearing level which include payment of minimum income distribution to conserve cash and limit the discretionary capital expenditure in order not to strain further the gearing level. The Manager also continues to look at opportunistic strategic divestment of non-core and non-performing assets within the property portfolio as strategy to rationalise the asset portfolio and optimise the gearing level.

As at 31 March 2022, the Trust's total borrowings comprised of term loans, revolving credit facilities and overdraft facility from licensed financial institutions were as follows:

	As at 31 March 2022 RM'000	As at 31 March 2021 RM'000
Term Loan	557,850	557,850
Revolving Credit	258,100	258,100
Less : Transaction cost subject to amortisation	(736)	(1,248)
Total Borrowings	815,214	814,702
Total Asset Value	1,661,275	1,673,720
Gearing	49.1%	48.7%

MANAGEMENT DISCUSSION AND ANALYSIS

continued

CAPITAL AND INTEREST RATE MANAGEMENT (CONTD.)

Prudent Capital Management (Contd.)

Total borrowings of RM815.2 million represent a gearing of 49.1% over total asset value of RM1,661.3 million, compared to preceding year gearing level of 48.7%.

The following table summarises the balance of the Trust's borrowings on 31 March 2022, based on the year of maturity:

	As at 31 March 2022			
	Syndicated	Revolving Credit		Total
	Term Loans	Term Loans	Facilities	
RM'000	RM'000	RM'000	RM'000	
Year of Maturity:				
FY2023	-	-	118,100	118,100
FY2024	-	250,354	140,000	390,354
FY2025		57,000	-	57,000
FY2026	249,760	-	-	249,760
Total borrowings ¹	249,760	307,354	258,100	815,214

(1) Gross amount less transaction costs.

The Manager actively reviews the maturity profile of the Trust's loan portfolio to manage the refinancing risk and will consider the prevailing credit market condition as well as the available potential funding avenue to diversify the Trust's loan exposure as part of the capital management strategy to manage the concentration and refinance risk. As at 31 March 2022, the weighted average debt maturity was approximately 2.2 years.

Interest Rate Management

As at 31 March 2022, the Trust maintained the competitive level of weighted average interest rate of 3.18%. As at 31 March 2022, all of the Trust's borrowings were at floating rate, hence subject to variable interest rate movement which fluctuated in tandem with variable cost of funds charged by the banks. The Manager is monitoring closely the interest rate market for hedging opportunity to hedge a portion of the borrowings into fixed rate in order to manage the Trust's exposure to any adverse movement in interest rates.

Based on the interest cost sensitivity analysis, it reveals that with every 25-basis point increase/(decrease) in interest rate with all other variables held constant will cause a corresponding increase/(decrease) of RM2.0 million of the Trust's net income.

Cash Flow / Liquidity

As at 31 March 2022, the Trust has cash and bank balances of RM3.9 million and deposits with financial institution of RM1.5 million.

The Trust's net operating cash flow (before the payment of interest expenses of RM26.7 million) improved by RM8.4 million from RM38.1 million to RM46.6 million mainly due to movement in trade receivables.

The Trust registered a net outflow in investing activities of RM2.2 million primarily for capital expenditures.

Meanwhile, the financing activities resulted in the net cash outflow of RM43.7 million comprised mainly the interest paid (net) of RM26.7 million and distributions paid to the Unitholders of RM17.2 million.

On a net cumulative basis, the Trust has a positive net cash flow of RM0.7 million during the current financial year, thus resulted increased in the cash and cash equivalent to RM5.4 million as at 31 March 2022.

As at 31 March 2022, the Trust has undrawn banking facilities of RM64.9 million, comprised of revolving credit and overdraft facilities to finance any future funding needs of the Trust.

MANAGEMENT DISCUSSION AND ANALYSIS

continued

OPERATIONS REVIEW

Leasing Management

The overall portfolio's occupancy rate as at 31 March 2022 declined marginally by 2.3% to 78.9% from 81.2% as at 31 March 2021.

	Overall Portfolio Occupancy		Committed Occupancy
	As at 31 March 2021	As at 31 March 2022	As at 31 March 2022
Bangunan AmBank	100.0%	98.3%	98.3%
Menara AmBank	73.3%	73.9%	73.9%
Menara AmFIRST	74.4%	66.4%	73.3%
Wisma AmFIRST	89.8%	87.8%	89.5%
The Summit – Office	81.2%	65.5%	67.5%
The Summit – Retail	63.6%	60.8%	79.7%
Prima 9	41.7%	43.9%	43.9%
Prima 10	83.8%	83.9%	83.9%
Jaya 99	79.2%	74.8%	74.8%
Mydin HyperMall, Bukit Mertajam	100.0%	100.0%	100.0%
Overall Portfolio	81.2%	78.9%	83.2%

Notwithstanding the decline in occupancy, the Trust managed to improve the committed occupancy to 83.2% as at 31 March 2022, in the light of a tough operating environment brought about by the prevailing COVID-19 pandemic.

In an effort to retain existing tenants, several measures were implemented including providing rental rebates and installment scheme accorded to deserving cases to assist tenants. At the same time, we offer attractive move-in packages to attract new prospective tenants to improve the occupancy. The various measures implemented may invariably affected the revenue stream in the short run, but the Trust is expected to emerge stronger once the market returns to normalcy.

Bangunan AmBank Group

Occupancy rate at Bangunan AmBank Group remains robust at 98.3% as at 31 March 2022. The tenants' mix was unchanged except for a downsizing by one (1) of the tenants. It continues to be anchored by AmBank Group.

Menara AmBank

Occupancy rate at Menara AmBank improved by 0.6% to 73.9% as at 31 March 2022 compared to 73.3% as at 31 March 2021. Demand for office space is presently weak in the Central Business District of Kuala Lumpur attributed to the current work from home arrangement and the coming on stream of new office buildings which further worsened the already oversupplied market.



MANAGEMENT DISCUSSION AND ANALYSIS

continued

OPERATIONS REVIEW (CONTD.)

Leasing Management (Contd.)

Menara AmFIRST

Occupancy rate at Menara AmFIRST registered a drop of 8.0% from 74.4% as at 31 March 2021 to 66.4% as at 31 March 2022. However, the Trust has secured two (2) new tenancies which will revert the occupancy rate to 73.3%.

Wisma AmFIRST

Occupancy rate at Wisma AmFIRST remains resilient at 87.8% as at 31 March 2022 despite some attrition of existing tenants. Replacement of new tenants have been secured which will bring back the occupancy rate to 89.5%.

The Summit – Retail

Many shopping complexes were badly affected by the prevailing COVID-19 pandemic. The Summit Retail registered a slight drop in its occupancy rate by 2.8% compared to 31 March 2021 due to non-renewal of few tenancies. The financial assistance packages offered to deserving existing tenants have been instrumental in retaining them. Despite the tough operating environment, the Trust has secured new tenants which will eventually raise the occupancy rate to 79.7%. The Manager is continuously reviewing the operation of the mall and will launch more marketing and promotional activities to boost the footfall of the mall.

The Summit – Office

The Summit Office recorded a decline in occupancy rate of 15.7% from 81.2% in the previous year to 65.5% as at 31 March 2022. This decline was attributed to the termination of tenancy by a key tenant. The committed occupancy rate expected to improve marginally to 67.5% upon the move in of secured new tenants.

Jaya 99

The occupancy rate at Jaya 99 remains at 74.8% as at 31 March 2022. Due to the poor business environment, the retail space at the ground floor witnessed the moving out of existing tenants. We are in the midst of looking out for new retail tenants to operate café, bistro and retail outlets at the ground floor.

Prima 9

Prima 9 is located in a saturated office market at Cyberjaya. The occupancy rate of Prima 9 remains lackluster at 43.9% as at 31 March 2022, though it represents a marginal improvement by 2.2% compared to 31 March 2021.

Prima 10

Occupancy rate at Prima 10 is maintained at a high level of 83.9% largely due to the tenancy of a key tenant. The key tenant has taken up long term tenancy and this has provided revenue stability from the building.

Tenancy Expiry Profile

As at 31 March 2022, the total leased area due for renewal over the next four (4) years was 2.3 million sq ft, representing 71.7% of the total NLA of 3.2 million sq ft.

	Overall Portfolio	
	(sq ft)	%
FY2023	657,921	28.4
FY2024	428,690	18.5
FY2025	692,765	29.9
FY2026	536,507	23.2
Total	2,315,883	100.0

In the immediate FY2023, 657,921 sq ft or 28.4% of the net lettable space are due for renewal. The Trust is optimistic that key tenants who include AmBank Group occupying 297,851 sq ft will renew their respective tenancies when fall due.

Tenancy Renewal and New Tenancy

During FY2022, the Trust through marketing efforts and collaboration with AmBank (M) Berhad has secured new tenants to take up 20,103 sq ft of space.

Amidst the challenging business environment, The Trust managed to achieve a commendable tenant retention rate of 92.8% with total 687,177 sq ft renewed out of the total 740,472 sq ft that due for renewal in FY2022. The strategies implemented to assist tenants in riding over the difficult period has contributed substantially in retaining the existing tenants.

MANAGEMENT DISCUSSION AND ANALYSIS

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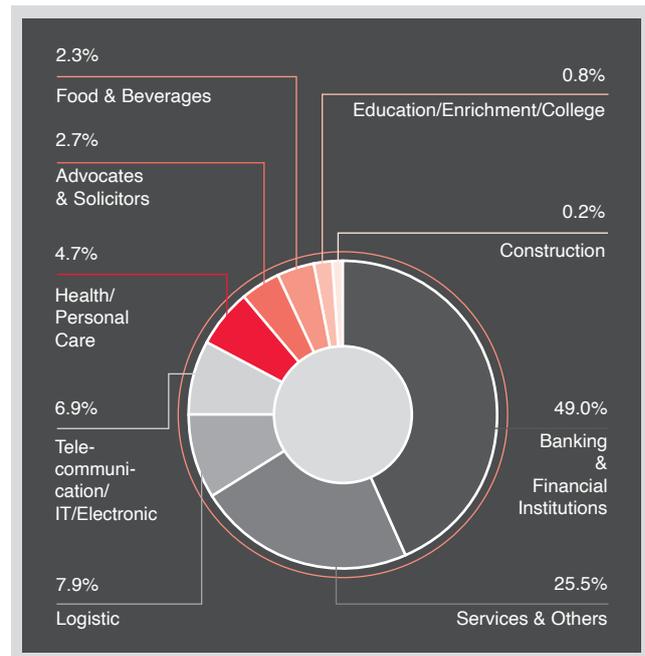
OPERATIONS REVIEW (CONTD.)

Tenancy Mix Analysis

Assets under the portfolio have a well spread-out tenant base across varied business sectors. This augurs well in the Trust effort to diversify risk exposure. Following is the tenancy mix composition on assets under the portfolio.

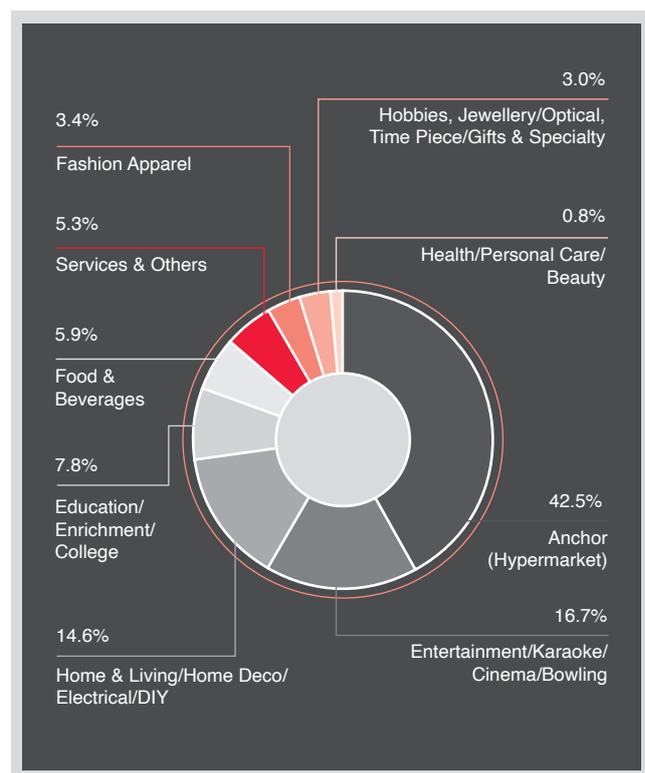
Tenant Mix for Office Component

Category	Net Lettable Area %
Banking & Financial Institutions	49.0
Services & Others	25.5
Logistic	7.9
Tele-communication/IT/Electronic	6.9
Health/Personal Care	4.7
Advocates & Solicitors	2.7
Food & Beverages	2.3
Education/Enrichment/College	0.8
Construction	0.2
Total	100.0



Tenant Mix for Retail Component

Category	Net Lettable Area %
Anchor (Hypermarket)	42.5
Entertainment/Karaoke/Cinema/Bowling	16.7
Home & Living/Home Deco/Electrical/DIY	14.6
Education/Enrichment/College	7.8
Food & Beverages	5.9
Services & Others	5.3
Fashion Apparel	3.4
Hobbies, Jewellery/Optical, Time Piece/Gifts & Specialty	3.0
Health/Personal Care/Beauty	0.8
Total	100.0



MANAGEMENT DISCUSSION AND ANALYSIS

continued

OPERATIONS REVIEW (CONTD.)

Key Tenants

The Trust's top ten (10) tenants by rental income in the portfolio contributed 74.8% to the total rental income in FY2022.

Names	Trade Sectors	%
AmBank Group	Banking & Financial Institutions	38.8
Mydin Mohamed Holdings Bhd	Hypermarket	21.0
RBC Investor Services (M) Sdn Bhd	Services	3.6
Prudential Assurance Malaysia Berhad	Services	2.7
Medical Device Authority - Ministry of Health Malaysia	Services	2.0
Summit Hotels Management Sdn Bhd	Services	1.6
Sudong Sdn Bhd	Services	1.5
Shook Lin & Bok	Advocates & Solicitors	1.5
IMC Education Sdn Bhd	Education	1.1
AIA Berhad	Services	1.0
Total		74.8

AmBank Group continues to remain as the top contributor accounting for 38.8% of the total rental income generated in FY2022.

Property day-to-day Operations

During the various MCO implemented, we have properly maintained the Trust's assets by adhering to the relevant regulations and standard operating procedures ("SOPs") imposed by relevant authorities and at the same time making sure the health and safety of the building occupants. There were no COVID-19 cluster outbreak reported in all of the Trust's properties across the two (2) years of the pandemic.

Recently, we started to harmonise the SOPs to allow and support more business activities, aligning to the Malaysian Government directive.

Asset Enhancement Initiative ("AEIs")

Upgrading of assets through strategic AEIs is necessary to ensure competitiveness and sustainability of the assets. During FY2022, the Trust has embarked into the upgrading of hypermarket loading and unloading bays at The Summit Subang USJ. The objective of this upgrading is to attract a reputable hypermarket player to occupy the hypermarket unit in The Summit Retail which can improve the footfalls. This upgrading project was completed in the first quarter of 2022.

The Trust managed to attract the interest of a reputable multinational hypermarket player to which the negotiation is currently at the final stage and target to have this new hypermarket offering in its retail segment by early 2023.

A minor enhancement was carried out at the main lobby and lift interior design of Prima 10, supported by additional security features inside the lifts area. The objective of this enhancement is to provide new environment and experience to the building occupants. This enhancement which was completed in the fourth quarter of 2021 was timely to the office re-opening, providing a fresh impression to the current tenants.

The installation of fire shutter at the fire escape route, installation of additional CCTVs and Door Access Card system at Wisma AmFIRST were completed in the second quarter of 2021. This has improved the safety features in the event of fire and provide better security services to its building occupants.

Managing Cost during Pandemic

COVID-19 pandemic has not only caused public health crisis but has unprecedented impact to the economy. Therefore, balancing between cost management and property management is crucial and has been our main focus during this trying time.

Several initiatives have been taken to minimise cost leakages with energy consumptions being the main focus. During FY2022 we further optimised the level of lighting and air-conditioning consumptions by proactively observing the usage in every unit and managed to reduce utilities expenses by 5.0% compared to last financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

continued

RISK MANAGEMENT

The Manager recognises that it has the responsibility to manage risks effectively to safeguard the Trust from potential losses, damages or failures due to uncertain action or event in order to achieve its goals and objectives. Risk management is an integral part of the Manager's corporate governance and has been embedded in the Management processes as part of the Manager's overall framework to deliver continuous improvement for the Trust.

The Manager has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Trust throughout the financial year under review.

(i) Pandemic Risk

A pandemic is a rapidly spreading infectious disease that may pose a threat to human lives as well as businesses and creates both social and economic chaos. It affects health of individuals and ultimately disrupts business operations. Governments across the world impose various laws and regulations to mitigate the spread of the infectious disease. This in turn impacts business operations and affects country's economy.

During FY2022, we have observed various MCO being implemented to curb the spread of the COVID-19. The government reintroduced a nationwide MCO from 12 May 2021 and was tightened into a total lockdown from 1 June 2021 to 14 June 2021. On 15 June 2021, the Government announced the National Recovery Plan ("NRP"), which has four (4) phases that were transition in stages. Following the high vaccination rates in the adult population against COVID-19 and a decrease in the number of severe cases of the disease since September 2021, Malaysia announced its intention to transition into endemic. On 8 March 2022, the Government announced the "Transition to Endemic" phase effective from 1 April 2022, with all restrictions on business operating hours removed.

The pandemic has greatly affected local as well as global businesses. Since the onset of the pandemic, the Manager invoked its Business Continuity Plan to ensure its administration and critical operations are activated within the prescribed rules and guidelines issued by the authorities as well as its own organisation's stringent requirements.

The Manager has initiated appropriate measures for its relevant buildings to support its tenants. The implementation of MCO and CMCO impacted the Trust arising from its tenants' ability to weather through

the difficult period. The Manager had performed assessments on its tenants and its impact on the Trust. Based on the assessments, the Manager came up with the necessary action plan such as providing rental rebates and marketing incentives to ensure Trust's risks are mitigated and tenants are able to sustain with continued tenancy.

(ii) Interest Rate Risk

As at 31 March 2022, the Trust's exposure in interest rate risk stems from its borrowings of RM815.2 million which currently all are subject to floating rate. Any hike in interest rate will result in higher interest cost and will reduce the net income of the Trust. In contrast, low interest rates will benefit the Trust.

The Manager closely monitors the interest rate environment and finding opportunity to hedge portion of the borrowings exposure into a fixed rate via Interest Rate Swap or fixed rate term loan.

(iii) Capital and Liquidity Risk

Capital and liquidity risk is associated with the ability of the Trust to access cash or capital at any given time to prevent insufficient liquidity to meet its business needs and financial obligations, including paying of income distributions, interests and loan repayments.

Capital and liquidity risk arises from event of default in loan covenants which lead to foreclosure by the lenders, deteriorating credit market resulting in non-availability of loans, poor liquidity and cash flow management and underperforming Unit Price that will cause high dilution for new unit issuance.

The Trust's capital and liquidity management objectives are to safeguard its ability to continue as a going concern and maintain an efficient capital structure in order to maximise returns to the Unitholders. Our capital and liquidity management strategies include:

- Effective cash flow and treasury management.
- Ongoing financial monitoring and active interest rate management.
- Regular review of compliance with loan covenants.
- Relationship management with bankers, investors and sponsors.
- Reduction of gearing via strategic divestment of low yielding assets.

MANAGEMENT DISCUSSION AND ANALYSIS

continued

RISK MANAGEMENT (CONTD.)

(iii) Capital and Liquidity Risk (Contd.)

The Manager regularly reviews its capital and liquidity management strategy to ensure that the Trust's capital and liquidity management objectives are met. The limit of gearing level is observed and monitored closely to ensure compliance with the SC's Listed REITs Guidelines.

(iv) Credit Risk

Credit risk is the risk of reduction in net income due to high allowance for impairment loss or bad debts write-off and high legal cost incurred to pursue recovery of outstanding receivables from the tenants. Poor credit collections also give rise to cash flows problems.

The Manager has identified several possible causes of credit risk, which include high concentration of tenants' mix, loose or complex tenancy arrangement and economic slowdown or rising costs which affect the ability of tenants to pay their rent.

To mitigate the Trust's credit risk exposure, the Manager maintains a policy of collecting security deposits from all tenants which act as collateral. The Manager also performs thorough customer due diligence to assess the tenants' ability to meet the rental payments prior to offering tenancies.

The Manager has implemented effective credit control measures such as close follow-up on rental arrears with tenants and the charging of late payment interest to encourage timely payment of rental. The Manager also maintains good tenant relations to increase timely rental collections.

The COVID-19 pandemic has impacted the businesses of the tenants. The Manager has been working closely with the affected tenants on providing financial reliefs including rental deferment scheme and rental rebates on a case-by-case basis. It was pertinent to assist the tenants so that they are able to sustain during the economic slowdown.

(v) Acquisition and Investment Risk

Acquisition and investment risks refer to imperil of assets / investments not being yield accretive, affecting the overall performance of the Trust. Prior to recommending to the Board, the Manager evaluates the proposed acquisition from financial, legal and technical aspects.

The Manager will remain selective and manages such risks by evaluating potential acquisitions against approved investment criteria. The Investment Department will evaluate all proposed acquisitions prior to recommending to the Board. Due diligence will be conducted prior to acquisition.

There were no acquisitions and divestment of real estate during the financial year.

(vi) Valuation Risk

Valuation risk refers to risk that valuation of property may not be sustainable, hence affecting the Trust's asset value and gearing. The main considerations for valuation are rental rates, occupancy rates and also operational cost. All these factors will be monitored by the Manager to ensure that they are not compromised and are mitigated with appropriate strategies such as strategic marketing activities, building strong relationship with tenants towards tenants' retention and providing a wider range of tenants mix.

In addition, there is a risk of further downward valuation due to the impact of COVID-19 pandemic that are affecting the abovementioned factors. As at 31 March 2022, the Trust recorded a fair value loss of RM17.8 million, mainly as a result of the revaluation loss of Mydin Bukit Mertajam, Prima 10, Wisma AmFIRST, Menara AmFIRST, Jaya 99 and The Summit Office.

Various active asset management strategies are adopted by the Manager to ensure that all the assets under management maintain its high occupancy level and rental rates as well as cost optimisation. Strategies such as providing value-added services, improving tenancy mix, organizing promotional activities within the properties are being implemented to further attract customers and potential tenants.

MANAGEMENT DISCUSSION AND ANALYSIS

continued

RISK MANAGEMENT (CONTD.)

(vii) Tenant Concentration Risk

Generally, the Trust has a broad mix of tenants across its properties. Nevertheless, as reported in the Tenancy Mix Analysis section, it is evident that there is a tenant concentration risk of over relying on tenants that contribute significant revenue to the Trust, which in turn may pose a risk when there is an adverse event of reduction in rental rate or reduction in office space under current economic conditions.

For FY2022, our top ten (10) tenants generated 74.8% (FY2021: 69.8%) of the total rental income, of which 38.8% (FY2021: 36.0%) is by AmBank Group and 21% (FY2021: 18.0%) is by Mydin Mohamed Holdings Berhad, while the remaining eight (8) tenants have a relatively lower percentage ranging from 1% to 3.6%.

On the contrary, AmBank Group being the main sponsor of the Trust and the long-term lease with Mydin Mohamed Holdings Bhd will mitigate the risk exposure with long term and sustainable rental income. It would then be favorable and advantageous to retain the said tenants.

(viii) Market Risk

The glut in office space has resulted in pressure on office rental rates due to competition from new office buildings with low occupancy. It is inevitable that competitors will drop their rental rates to attract tenants from existing buildings. This phenomenon is worsened with the COVID-19 pandemic which may have an impact on demand for office space. The market is expected to adapt with the new norm going forward and expected endemic phase that the country is entering into.

During the financial year, the Manager had great challenges in both retaining and securing new tenants. The Manager has re-strategised and enhanced its focus to address adverse risks arising from the market over-supply and stiff competition. Amongst others, the key strategy rolled out were to retain existing tenants with improved service level and provide attractive rental package to attract new tenants.

(ix) Operation Risk

The Manager is managing nine (9) buildings which make up the asset portfolio. Apart from building structures, these buildings require constant attention on air-conditioning systems, vertical transportation systems, CCTV systems and fire-fighting systems. Inherently as these equipment and machineries comprise of mechanical and electrical components, there are inherent risks associated with them. Mechanical and electrical components can be faulty during its use due to wear and tear. This would have an impact on both of its functionality and safety.

The Manager mitigates the risk by appointing appropriate and competent specialists to ensure that proper planned maintenance is undertaken accordingly. Approved annual budgets for maintenance and where required, replacements or asset enhancement are provided for to address operations requirement. Asset enhancements will be carried out for the buildings where deemed required.

(x) Regulatory and Compliance Risk

The Manager is licensed under Capital Markets and Services Act 2007. Hence, it is subject to strict adherence of the requirements of the Act as well as SC's Listed REITs Guidelines. In addition, as the Manager is a subsidiary of a financial institution, namely, AmBank Group, there is great emphasis of compliance on various regulations such as anti-money laundering, personal data protection, securities trading and anti-corruption, amongst others.

It is pertinent that an effective framework and resources must be in place to ensure regulatory requirements are complied with. The dedicated Compliance & Risk department was established to address related compliance risks. The department is responsible and tasked in advocating appropriate compliance culture among the Management team as well as service providers who have dealings with the Trust. The Manager's compliance culture is further strengthened and mitigated by appropriate oversight role, guidance and resources by AmBank's Group Compliance and Group Operational Risk Departments.

MANAGEMENT DISCUSSION AND ANALYSIS

continued

PROSPECTS

The country's economic activities are expected to improve with the reopening of borders in April 2022. However, the ongoing Russia-Ukraine conflict may dampen the global economic recovery including Malaysia.

Amidst widening imbalance between supply and demand, the overall office occupancy and rental rates will continue to be subjected to downward pressures. Although more economic sectors and businesses are allowed to reopen, the challenges on office market remained as companies, especially MNCs, continue to re-evaluate their future workplace strategies.

The reopening of the businesses and lifting of the travel restrictions bring relief to the retail and hospitality sectors. However, the recovery of the retail sector is expected to be gradual given cautious consumer sentiments, rising inflation and global supply chain disruptions.

We will remain focused on delivering value to our Unitholders by adopting appropriate business strategies to sustain our financial performance.



OUR BOARD AND COMMITTEE



SOO KIM WAI
Chairman/
Non-Independent Non-Executive Director



DATO' WONG NAM LOONG
Independent Non-Executive Director



Date of Appointment	19 August 2015	15 August 2016
Length of Service	6 years 8 months	5 years 8 months
Board Meeting Attendance	4/4	4/4
Board Committee	Audit Committee	Chairman of the Audit Committee
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> Member of the Malaysian Institute of Accountants. Member of the Malaysian Institute of Certified Public Accountants. Fellow of the Certified Practising Accountant, Australia. Fellow of the Association of Chartered Certified Accountants, United Kingdom. 	<ul style="list-style-type: none"> Degree of an Utter Barrister from Lincoln's Inn, London. Called to the English Bar in 1972 after completing the post final examination. Called to the Malaysian Bar on 21 February 1973.
Present Directorship(s) in Listed Entities	<ul style="list-style-type: none"> Director, AMMB Holdings Berhad. Director, RCE Capital Berhad. Director, Amcorp Global Limited. 	None
Present Appointment(s)	Group Managing Director of Amcorp Group Berhad.	<ul style="list-style-type: none"> Managing Director, Temasya Mentari Sdn Bhd. Managing Director, Richmond Crescent Sdn Bhd. Managing Director, The Esquire Kitchen Sdn Bhd.
Relevant Experience	Mr Soo joined Amcorp in 1989 as Senior Manager of Finance, and has since held various senior positions before he was promoted to his current appointment. Prior to that, he was attached with Plantation Agencies Sdn Bhd from 1985 to 1989 and in the accounting profession for five (5) years with Deloitte KassimChan from 1980 to 1985.	Dato' Wong started his career with Messrs Shook Lin & Bok as an Advocate and Solicitor where he was given numerous assignments including taking charge of Bandaraya Developments Berhad's project in Bangsar. Dato' Wong is the co-founder of Messrs Wong, Fadzil Omar & Co, which had managed to be appointed to the panels of some of the leading banks in Malaysia.

OUR BOARD AND COMMITTEE

continued



**DATO' ABDULLAH THALITH BIN
MD THAN**

Independent Non-Executive Director



AZLAN BAQEE BIN ABDULLAH
Non-Independent Non-Executive Director



Date of Appointment	15 August 2016	22 February 2018
Length of Service	5 years 8 months	4 years 2 months
Board Meeting Attendance	4/4	4/4
Board Committee	Audit Committee	Nil
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> Degree in B. Surveying (Property Management) from Universiti Teknologi Malaysia. Master of Science (Business Studies) from University of Salford. 	Bachelor of Science in Business Administration (Major Accounting and Finance) California State University, Chico.
Present Directorship(s) in Listed Entities	Director of Amway (Malaysia) Holdings Berhad.	None
Present Appointment(s)	Nil	<ul style="list-style-type: none"> Chief Operating Officer, Amcorp Properties Berhad ("AmProp"). Chairman of EXCO, AmREIT. Member of the Board Credit Committee, AmBank Islamic Berhad. Industry Advisory Panel for Azman Hashim International Business School at University Teknologi Malaysia (UTM).

Relevant Experience Dato' Abdullah Thalith joined the Valuation and Property Services Department, Ministry of Finance as a Valuation Officer in May 1978. Along the line, he had been elevated as District Valuer, State Director, Director of INSPEN (the training arm of the Department), Director of National Property Information Centre (NAPIC) and Deputy Director General. During his tenure, his major and significant contribution was the setting up of NAPIC in 1999 where he was the first Director and had presented a number of papers at property forum and seminars, both local and abroad. His last position was as the Director-General of the Department from February 2006 prior to his retirement in November 2012.

En Azlan Baqee joined Amcorp in 1990 and has since undertaken various challenging and multi-tasking positions within the Group. He was responsible for the overall management and development of a High-rise development projects, Amcorp Trade Centre in Petaling Jaya, development of the 400 acres Kayangan Heights in Shah Alam, the 1,000 acres Sibu Jaya Township in Sarawak, and various other mid-sized projects throughout Malaysia. In 2007, Encik Azlan Baqee was appointed as Chief Operating Officer of AmProp, a wholly owned subsidiary of Amcorp. Apart from expanding AmProp property ventures into overseas markets at prime central London, Tokyo, Madrid, Hong Kong, Singapore and Shanghai, he was also instrumental in setting-up AmProp Group's venture into Sustainable Renewable Energy Power Plants i.e. 6MW Sg Perting Mini Hydro Power plant, 10.3 MW Gemas Solar Power Plant and 20MW Sg Liang Mini Hydro Power Plant in Malaysia.

En Azlan Baqee is currently a Director of AmBank Islamic Berhad and a board member of the subsidiaries within Amcorp and AmProp. He is also the Non-Independent Non-Executive Director of AmREIT Holdings.

OUR BOARD AND COMMITTEE

continued



CHRISTOPHER YAP HUEY WEN
Non-Independent Non-Executive Director



**YM RAJA NAZIRIN SHAH BIN
RAJA MOHAMAD**
Executive Director/Chief Executive Officer



Date of Appointment	15 September 2020	22 April 2019
Length of Service	1 year 7 months	3 years
Board Meeting Attendance	4/4	4/4
Board Committee	Nil	Nil
Academic/Professional Qualification(s)	Bachelor of Science, Business Administration, St. Cloud State University, United States of America.	<ul style="list-style-type: none"> • MBA Finance from Management and Science University. • Post Graduate Research in Business Administration from Faculty of Economics, Kagawa University, Japan. • Bachelor of Estate Management (Hons) from Faculty of Architecture, Planning & Surveying, University Teknologi MARA. • Diploma in Estate Management from Faculty of Architecture, Planning & Surveying, University Teknologi MARA. • Registered Property Manager – PM0415, Board of Valuers, Appraisers & Estate Agents. • Registered Valuer - V415, Board of Valuers, Appraisers & Estate Agents. • Registered Real Estate Agent - E1247, Board of Valuers, Appraisers & Estate Agents.
Present Directorship(s) in Listed Entities	None	None
Present Appointment(s)	Managing Director Business Banking, AmBank Group.	Chief Executive Officer, AmREIT.
Relevant Experience	Mr Christopher Yap holds more than two (2) decades of financial services experience with a major portion spent on commercial and SME segments. He began his career in trade services with Citibank Malaysia and was the Head of SME Banking at Alliance Bank where he was instrumental in growing the bank's SME business to a 25% share of the bank's revenue.	YM Raja Nazirin Shah was appointed to the Board of AmREIT on 22 April 2019. He is currently the Chief Executive Officer of AmREIT. He has vast and relevant experience in the property sector. In his previous employments, he was responsible in setting up the overall business strategies, formulating relevant sales and marketing strategies as well as overseeing the entire business operations. His previous achievements includes market positioning and asset management of KL Sentral Integrated Development and turning it into a successful mix-commercial hub connected with high modern rail station.

OUR MANAGEMENT TEAM



1. YM RAJA NAZIRIN SHAH BIN RAJA MOHAMAD
Executive Director/Chief Executive Officer



2. CHONG HONG CHUON
Chief Financial Officer



3. ZUHAIRY BIN MD. ISA
Deputy Chief Executive Officer



4. JAYASURAES NAIDU A/L SUBRAMANIAM
Vice President 1, Compliance & Risk



5. AHMAD SHAH BIN MD SAID
Vice President 2, Operations

All Senior Management of the Manager in office at the end of FY2022 have:



no family relationship with any Directors or major Unitholders of AmFIRST REIT



no conflict of interest with AmFIRST REIT



not been convicted of any offences within the past five (5) years



not been imposed with any penalty by the relevant regulatory bodies.

OUR MANAGEMENT TEAM

continued

1. YM RAJA NAZIRIN SHAH BIN RAJA MOHAMAD

2. CHONG HONG CHUON

Date of Appointment	22 April 2019	2 November 2015
Present Directorship(s) in Listed Entity	None	None
Relevant Experience	<p>YM Raja Nazirin Shah Bin Raja was appointed to the Board of AmREIT on 22 April 2019. He is currently the Chief Executive Officer of AmREIT.</p> <p>YM Raja Nazirin Shah has more than thirty-two (32) years of experience in the real estate industry, in areas of sales and marketing, project management and asset management.</p> <p>Prior to joining AmREIT, he served Permodalan Nasional Berhad's subsidiaries from August 2011 to April 2019. Permodalan Nasional Berhad is a Malaysian government-linked investment company. He was the Vice President and Head of Commercial for PNB Merdeka Ventures Sdn Bhd. PNB Merdeka Ventures Sdn Bhd involves in the development of PNB 118 which will be the tallest office building in South East Asia. It is a premier office building with an estimated NLA of 1.7 million sq ft. PNB 118 is part of the mixed commercial development known as Merdeka 118. Prior to that, he was the Chief Operating Officer for PNB Commercial Sdn Bhd from August 2011 to December 2017 overseeing a workforce of over 305 staffs in managing 17 properties of various assets classes across commercial, retail, hospitality and residential with asset under management worth over RM1.5 billion. He was the General Manager - Sales, Marketing & Asset Management for Malaysian Resources Corporation Berhad from December 2000 to December 2011. He was instrumental in the market positioning and asset management of KL Sentral Integrated Development and for turning it into a successful mixed-commercial hub connected with highly modern rail station.</p> <p>YM Raja Nazirin Shah holds an MBA Finance from Management and Science University, a Post Graduate Research in Business Administration from Faculty of Economics, Kagawa University, Japan and a Bachelor of Estate Management (Hons) from Faculty of Architecture, Planning & Surveying, University Teknologi MARA. He is professionally qualified as Registered Property Manager, Registered Valuer and Registered Real Estate Agent which are governed by The Board of Valuers, Appraisers, Estate Agents and Property Managers.</p>	<p>Mr Chong Hong Chuon joined AmREIT on 2 November 2015 as Chief Financial Officer.</p> <p>On 11 June 2018, he was appointed as Acting Chief Executive Officer of AmREIT and relinquished his role as Acting Chief Executive Officer with effect from 22 April 2019. He remains as Chief Financial Officer of AmREIT in charge of the full spectrum of financial matters relating to AmFIRST REIT which include financial and management reporting, capital management, treasury and taxation.</p> <p>Mr Chong started his career as an auditor and has over twenty (20) years of extensive management and financial accounting experience in real estate industry. His last position was General Manager, Finance of Tropicana Corporation Berhad. Prior to that, he was the Head of Finance of AmREIT and Group Financial Controller of GLM REIT Management Sdn Bhd.</p> <p>He holds a Master of Science in Financial Management from The Robert Gordon University, United Kingdom and is a fellow member of the Association of Chartered Certified Accountants, United Kingdom and member of the Malaysian Institute of Accountants.</p> <p>He currently also holds the Capital Markets Services Representative's License under the Capital Markets and Services Act 2007.</p>

OUR MANAGEMENT TEAM

continued

3. ZUHAIRY BIN MD. ISA

8 January 2015

None

Encik Zuhairy bin Md Isa joined AmREIT 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 Acting Chief Executive Officer of AmREIT and responsible for the strategic direction, investment objectives and operations of AmFIRST REIT and AmREIT as well as overseeing the roles as the Head, Asset Management.

On 8 January 2015, he was re-designated as the Deputy Chief Executive Officer of AmREIT and currently responsible for the investment strategies and property portfolio planning for AmFIRST REIT.

Encik Zuhairy has more than fifteen (15) years of related working experience prior to joining AmREIT. His last position was as the 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.

He is the current Chairman of The Summit Subang USJ Management Corporation representing AmFIRST REIT, spearheading the management and operations of the mixed integrated strata development. He was the Vice Chairman of the MRMA for 2014 and 2015.

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

He currently holds the Capital Markets Services Representative's License under the Capital Markets and Services Act 2007 since April 2014 and a Registered Property Manager with the Board of Valuers, Appraisers, Estate Agents and Property Managers of Malaysia.

4. JAYASURAES NAIDU A/L SUBRAMANIAM

4 May 2015

None

Mr Jayasuraes Naidu a/l Subramaniam joined AmREIT on 4 May 2015 as Vice President of Compliance & Risk. He is primarily responsible for compliance and risk management activities of AmREIT. He has twenty-five (25) years of related working experience and has also been entrusted with the Business Operational Controls function which is a requirement enforced by the Group Operational Risk Department of AmBank Group.

Apart from specialised knowledge and skills in compliance, auditing and risk management, he too had an opportunity to lead management and its operations regionally in his previous employment. The combination of experiences that he has gained over the years greatly contributes to the current organisation and in discharging his current role.

He 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 AmREIT, he was attached to Turiya Technologies Pte Ltd, a semi-conductor 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 as well as a Chartered Accountant (M). He is currently a Member of the Malaysian Institute of Accountants and the Institute of Internal Auditors Malaysia.

5. AHMAD SHAH BIN MD SAID

20 July 2020

None

En Ahmad Shah bin Md Said joined AmREIT on 20 July 2020 as Vice President of Operations. He is responsible for managing the nine (9) buildings owned by AmFIRST REIT.

He has thirty-eight (38) years of technical working experience with architectural background.

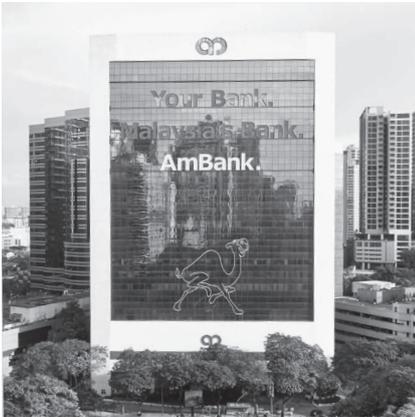
He began his career in government sector under Public Work Department ("PWD") in Head Office for twelve (12) years since 1980. He was involved in several government projects during his tenure with PWD.

In 1992, he joined Bank of Commerce where he started his career in banking sector. He was assigned as a project officer and involved in several renovations works at Head Office and branches. He played an important role in the bank's merger exercise with Bank Bumiputra, CIMB and Southern Bank and was assigned to conduct feasibility studies for branch rationalisation exercise. His last position in CIMB was a Director in Establishment Support.

Prior to joining AmREIT, he was attached to AmBank in Group Property and Administration Department as the Head of Property for two (2) years where he managed Projects, branches and head office's renovation works including repair and maintenance nationwide.

He obtained a Civil Architecture Certificate from Ungku Omar Polytechnic in 1979. In 1989, he was selected by the Government to attend a special program (Look East Policy) in Japan under the collaboration between the Government of Malaysia and Japanese International Corporation Agency (JICA).

ASSET PROFILE



BANGUNAN AmBANK GROUP ("BAG")

Bangunan AmBank Group is located along Jalan Raja Chulan, within the prime commercial centre of the Kuala Lumpur Golden Triangle and is easily accessible from most parts of Kuala Lumpur city centre.

The locality where BAG is situated is predominantly characterised by modern high-rise purpose-built office and commercial buildings, local and international class hotels, exclusive shopping complexes and luxury condominiums/service apartments.

A prominent landmark within the immediate vicinity is the iconic Kuala Lumpur Tower (KL Tower) which is located within walking distance to the property.

Location

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

Description of Property

A 26-storey purpose-built office building with 3 levels of 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 62 years)

Encumbrance

Nil

Year of Completion

1987

Age of Building

35 years

Net Lettable Area

360,166 sq ft

Existing Use

Commercial Office

Car Park

522

Number of Tenants

10

Date of Acquisition

21 December 2006

Acquisition Cost

RM180.2 million

Latest Revaluation

RM266.4 million

Date of Revaluation

15 February 2022

Occupancy Rate

98.3%

Gross Revenue

RM21.7 million

Net Rental Income

RM15.2 million

Major Capital Expenditure

Nil

Average Tenancy Period

3 years

Independent Valuer

Messrs First Pacific Valuers
Property Consultants Sdn Bhd

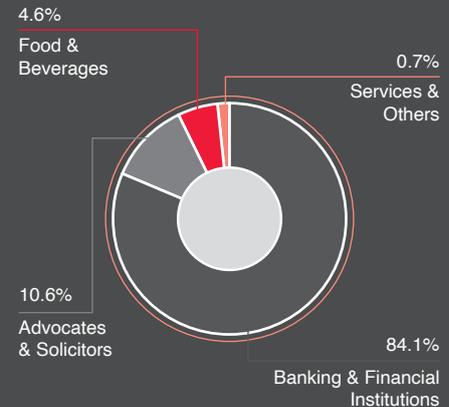
Major Tenants

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

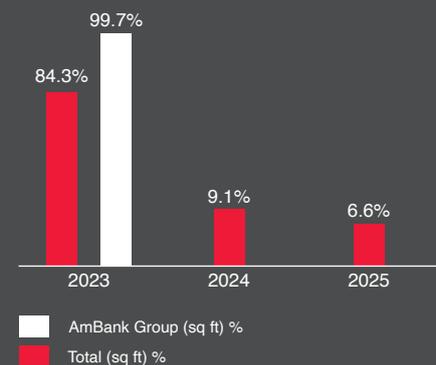
Property Manager

Knight Frank Property
Management Sdn Bhd

Tenants' Trade Mix Analysis

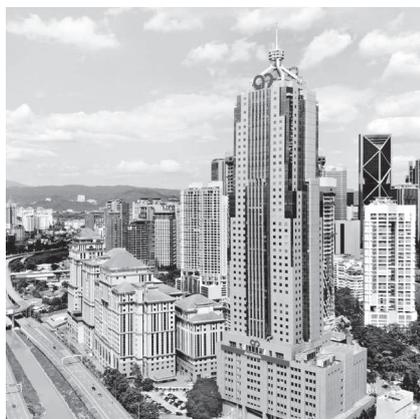


Tenancy Expiry Profile



ASSET PROFILE

continued



MENARA AmBANK (“MAB”)

Menara AmBank is located along Jalan Yap Kwan Seng, within the heart of the Kuala Lumpur Golden Triangle and is easily accessible from most parts of the city centre via Jalan Ampang and Jalan Tun Razak.

The Property is surrounded by modern high-rise purpose-built office and commercial buildings, prime shopping complexes, luxurious high-rise condominiums/service apartments as well as international hotels.

A prominent landmark in the immediate vicinity is the iconic KLCC Twin Towers which is located within walking distance to the property.

Location

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

Description of Property

A 46-storey purpose-built office building with 7 levels of elevated 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

Encumbrance

First and Second Party Legal Charge

Year of Completion

1997

Age of Building

25 years

Net Lettable Area

458,450 sq ft

Existing Use

Commercial Office

Car Park

557

Number of Tenants

16

Date of Acquisition

21 December 2006

Acquisition Cost

RM230.2 million

Latest Revaluation

RM322.3 million

Date of Revaluation

15 February 2022

Occupancy Rate

73.9%

Gross Revenue

RM18.9 million

Net Rental Income

RM10.7 million

Major Capital Expenditure

RM0.1 million

Average Tenancy Period

3 years

Independent Valuer

Messrs First Pacific Valuers
Property Consultants Sdn Bhd

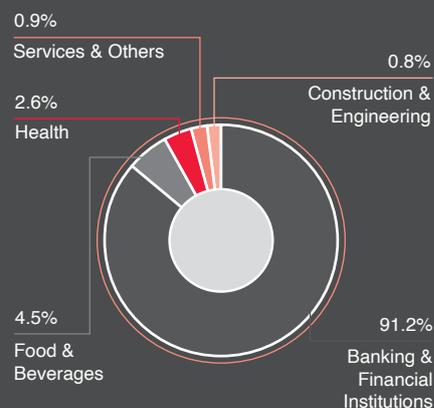
Major Tenants

AmBank Group

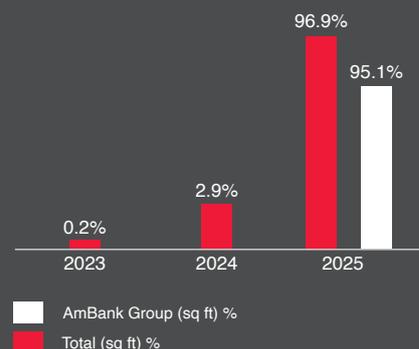
Property Manager

Knight Frank Property
Management Sdn Bhd

Tenants' Trade Mix Analysis



Tenancy Expiry Profile



ASSET PROFILE

continued



MENARA AmFIRST ("MA")

Menara AmFIRST is located along Jalan 19/3, Section 19 Petaling Jaya and is easily accessible from Kuala Lumpur, Subang Jaya, Shah Alam and Klang via the Federal Highway, the SPRINT Highway and the North – Klang Valley Expressway. It is a landmark building as it is the only High-rise building in the area.

The immediate locality comprises mainly purpose-built detached factories and warehouses, purpose-built offices and commercial buildings and shop-offices.

A prominent landmark within the immediate vicinity is the premise of Sin Chew Daily which is located within walking distance to the property.

Location

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

Description of Property

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

Land Title

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

Tenure

Freehold

Encumbrance

Lien Holder's Caveat

Year of Completion

1994

Age of Building

28 years

Net Lettable Area

158,450 sq ft

Existing Use

Commercial Office

Car Park

333

Number of Tenants

28

Date of Acquisition

21 December 2006

Acquisition Cost

RM57.1 million

Latest Revaluation

RM64.6 million

Date of Revaluation

17 February 2022

Occupancy Rate

66.4%

Gross Revenue

RM4.4 million

Net Rental Income

RM1.9 million

Major Capital Expenditure

Nil

Average Tenancy Period

1 - 3 years

Independent Valuer

Messrs Rahim & Co International
Sdn Bhd

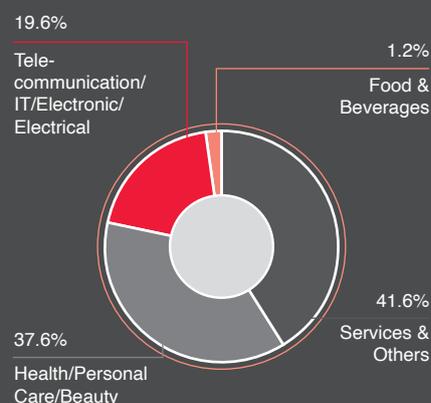
Major Tenants

- KAO (M) Sdn Bhd
- Locus-T Sdn Bhd
- Perfect Pentagon Sdn Bhd
- Rockwills Property Management Sdn Bhd
- MTrustee Bhd

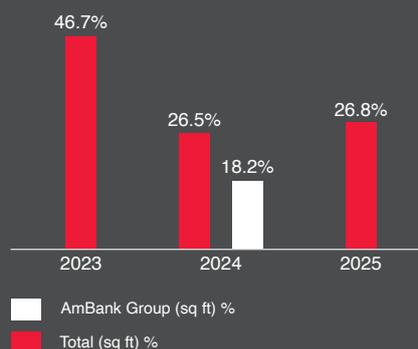
Property Manager

Savills (KL) Sdn Bhd

Tenants' Trade Mix Analysis



Tenancy Expiry Profile



ASSET PROFILE

continued



WISMA AmFIRST ("WA")

Wisma AmFIRST is located within SS7, Kelana Jaya and it is easily accessible from Kuala Lumpur city centre via the North Klang Valley Expressway (NKVE), Lebuhraya Damansara-Puchong (LDP) and the Federal Highway.

The immediate locality is mixed in character and comprises of purpose-built offices and commercial buildings, apartments/condominiums, purpose-built detached houses and a shopping mall.

Prominent landmarks in the immediate surrounding include the MBPJ Stadium and a recreational park (known as Kelana Jaya Recreational Park).

Location

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

Description of Property

2-block of 16-storey purpose-built office building with car park space located at Basement Level, Level 1 to 5

Land Title

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

Tenure

Leasehold of 99 years expiring on 19 February 2094 (unexpired term of approximately 72 years)

Encumbrance

Lien Holder's Caveat

Year of Completion

2001

Age of Building

21 years

Net Lettable Area

284,539 sq ft

Existing Use

Commercial Office

Car Park

642

Number of Tenants

28

Date of Acquisition

21 June 2007

Acquisition Cost

RM86.1 million

Latest Revaluation

RM113.7 million

Date of Revaluation

28 February 2022

Occupancy Rate

87.8%

Gross Revenue

RM9.9 million

Net Rental Income

RM6.0 million

Major Capital Expenditure

RM0.3 million

Average Tenancy Period

3 years

Independent Valuer

Messrs Rahim & Co International
Sdn Bhd

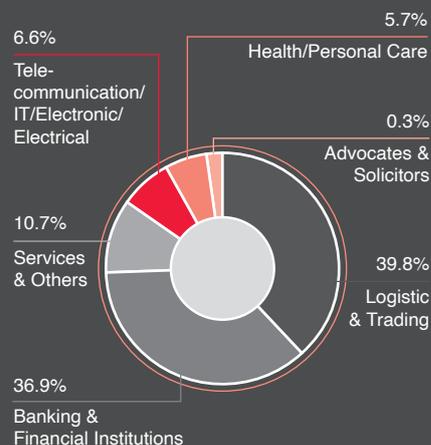
Major Tenants

- AmBank (M) Berhad
- Kimberly-Clark Trading (M) Sdn Bhd
- Swisslog Malaysia Sdn Bhd
- Expeditors (Malaysia) Sdn Bhd
- Welch Allyn (M) Sdn Bhd

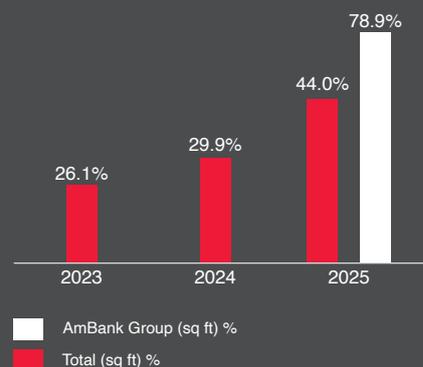
Property Manager

Savills (KL) Sdn Bhd

Tenants' Trade Mix Analysis



Tenancy Expiry Profile



ASSET PROFILE

continued



PRIMA 9

Prima 9 is located along Persiaran APEC within Cyberjaya. It is located approximately 40 kilometres to the south-west of Kuala Lumpur city centre and is easily accessible via the Kuala Lumpur – Putrajaya/Cyberjaya Expressway which is also known as the Maju Expressway (MEX).

Cyberjaya which was conceptualised as an IT-theme township is Malaysia’s first Multimedia Super Corridor and all the purpose-built office and commercial buildings are accredited MSC status whilst some newer buildings are awarded Green Building Index (GBI) certificate.

These buildings accommodate local and multinational IT based companies; i.e. IBM, Shell IT, Ericsson, HSBC, Nokia, EDS, DHL, Vivanova Systems and about 200 others.

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 basement levels

Land Title

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

Tenure
Freehold

Encumbrance
Nil

Year of Completion
2009

Age of Building
13 years

Net Lettable Area
111,224 sq ft

Existing Use
Commercial Office

Car Park
414

Number of Tenants
2

Date of Acquisition
30 November 2011

Acquisition Cost
RM72.9 million

Latest Revaluation
RM73.1 million

Date of Revaluation
14 February 2022

Occupancy Rate
43.9%

Gross Revenue
RM2.2 million

Net Rental Income
RM1.2 million

Major Capital Expenditure
RM0.1 million

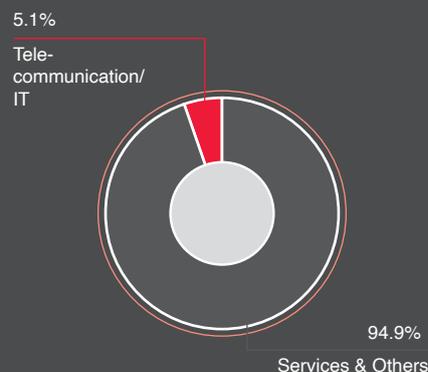
Average Tenancy Period
3 years

Independent Valuer
Messrs First Pacific Valuers
Property Consultants Sdn Bhd

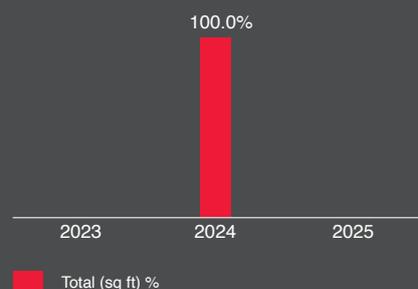
Major Tenants
Medical Device Authority
Ministry of Health M’sia

Property Manager
Savills (KL) Sdn Bhd

Tenants’ Trade Mix Analysis



Tenancy Expiry Profile



ASSET PROFILE

continued



PRIMA 10

Prima 10 is located along Persiaran APEC within Cyberjaya. It is located approximately 40 kilometres to the south-west of Kuala Lumpur city centre and is easily accessible via the Kuala Lumpur – Putrajaya/Cyberjaya Expressway which is also known as the Maju Expressway (MEX).

Cyberjaya which was conceptualised as an IT-theme township is Malaysia's first Multimedia Super Corridor and all the purpose-built office and commercial buildings are accredited MSC status whilst some newer buildings are awarded Green Building Index (GBI) certificate.

These buildings accommodate local and multinational IT based companies; i.e. IBM, Shell IT, Ericsson, HSBC, Nokia, EDS, DHL, Vivanova Systems and about 200 others.

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 Darul Ehsan

Tenure

Freehold

Encumbrance

First Party Legal Charge

Year of Completion

2010

Age of Building

12 years

Net Lettable Area

100,272 sq ft

Existing Use

Commercial Office

Car Park

327

Number of Tenants

2

Date of Acquisition

30 November 2011

Acquisition Cost

RM61.7 million

Latest Revaluation

RM62.0 million

Date of Revaluation

23 February 2022

Occupancy Rate

83.9%

Gross Revenue

RM4.0 million

Net Rental Income

RM2.2 million

Major Capital Expenditure

RM0.3 million

Average Tenancy Period

5 years

Independent Valuer

Messrs Rahim & Co International
Sdn Bhd

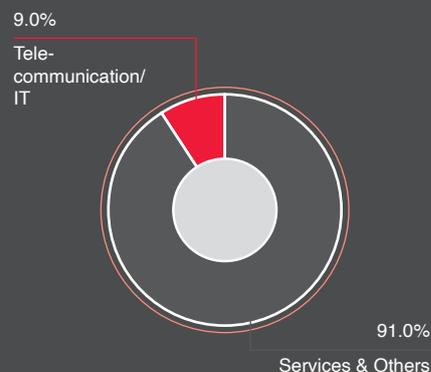
Major Tenants

- RBC Investor Services (Malaysia) Sdn Bhd
- Quest Software Technology Systems Sdn Bhd

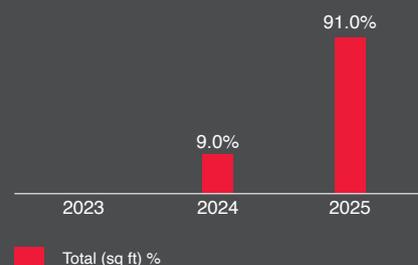
Property Manager

Savills (KL) Sdn Bhd

Tenants' Trade Mix Analysis



Tenancy Expiry Profile



ASSET PROFILE

continued



KOMPLEKS TUN SRI LANANG ("JAYA 99")

Jaya 99 is located along Jalan Tun Sri Lanang, approximately 800 metres north of Melaka town. The immediate locality is commercial in character and comprises of purpose-built office and commercial buildings, local and international hotels, shopping complexes and shop offices.

Prominent landmarks in the vicinity include the elevated Melaka monorail, Hang Jebat Monorail Station, Terminal Melaka Sentral and Melaka - Dumai Ferry Terminal.

Location

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

Description of Property

A 6-storey podium block comprising retail, mechanical and electrical services on the ground floor, car park area from the 1st to 5th floors (inclusive) and convention facilities on the 6th floor and 2 office towers identified as Tower A comprising 9 floors and Tower B comprising 10 floors

Land Title

Title No. HS(D) 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 87 years)

Encumbrance

First Party Legal Charge

Year of Completion

2011

Age of Building

11 years

Net Lettable Area

225,912 sq ft

Existing Use

Commercial Office

Car Park

551

Number of Tenants

12

Date of Acquisition

1 November 2012

Acquisition Cost

RM87.2 million

Latest Revaluation

RM100.8 million

Date of Revaluation

31 March 2022

Occupancy Rate

74.8%

Gross Revenue

RM6.4 million

Net Rental Income

RM3.8 million

Major Capital Expenditure

Nil

Average Tenancy Period

3 - 6 years

Independent Valuer

Messrs VPC Alliance (KL) Sdn Bhd

Major Tenants

- Prudential Assurance Malaysia Berhad
- PTS Leisure Sdn Bhd
- AIA Berhad

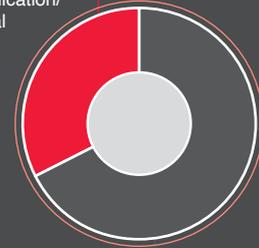
Property Manager

Rahim & Co. International Sdn Bhd

Tenants' Trade Mix Analysis "Office"

32.5%

Tele-
communication/
Electrical



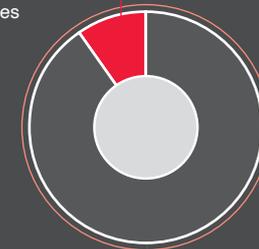
67.5%

Services & Others

Tenants' Trade Mix Analysis "Retail"

9.7%

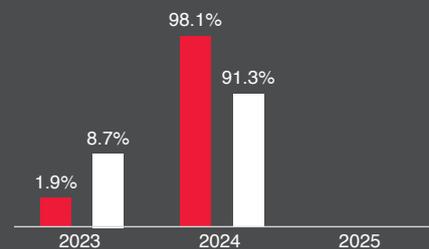
Food &
Beverages



90.3%

Services & Others

Tenancy Expiry Profile



■ Retail Total (sq ft)

■ Office Total (sq ft)

ASSET PROFILE

continued



MYDIN HYPERMALL, BUKIT MERTAJAM

Mydin HyperMall is strategically located along Jalan Baru which is the main service road connecting Bukit Mertajam and Butterworth towns, Penang. These are currently the two (2) major towns which are undergoing rapid development on the mainland of Penang due to the demand for housing. It is also located very strategically close to transportation centres and major highways such as Butterworth Ferry Terminal, Lebuhraya Lingkar Luar Butterworth and North-South Expressway.

Location

Mydin HyperMall
Jalan Baru
14000 Bukit Mertajam
Pulau Pinang

Description of Property

A 3-storey wholesale hypermarket with 3-storey mezzanine floor

Land Title

Title No. GRN 173212
Lot No. 10413, Mukim 6,
District of Seberang Perai
Tengah
State of Penang

Tenure

Freehold

Encumbrance

First Party Legal Charge

Year of Completion

2015

Age of Building

7 years

Net Lettable Area

536,507 sq ft

Existing Use

Commercial Retail

Parking Bays

Carpark - 1,239
Motorcycle - 1,270

Number of Tenants

1

Date of Acquisition

29 January 2016

Acquisition Cost

RM254.1 million

Latest Revaluation

RM274.9 million

Date of Revaluation

17 February 2022

Occupancy Rate

100.0%

Gross Revenue

RM19.6 million

Net Rental Income

RM19.5 million

Major Capital Expenditure

Nil

Lease Period

30 years

Independent Valuer

Messrs Rahim & Co International
Sdn Bhd

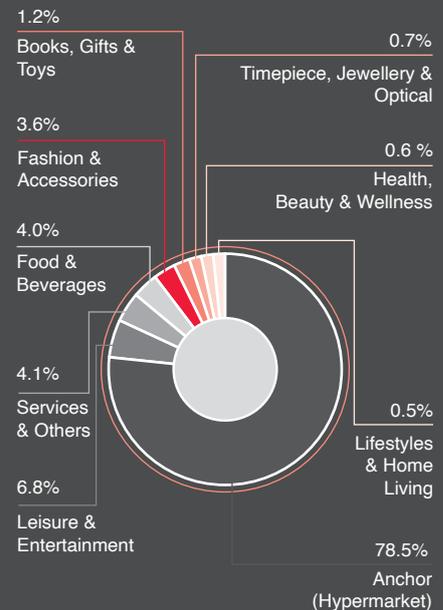
Major Tenants

Mydin Mohamed Holdings Bhd

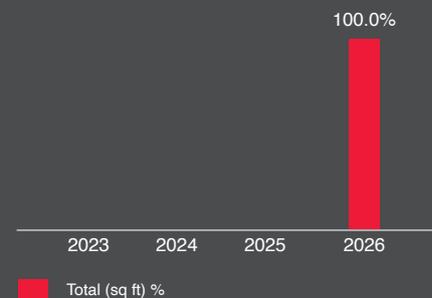
Property Manager

Savills (KL) Sdn Bhd

Tenants' Trade Mix Analysis



Tenancy Expiry Profile



ASSET PROFILE

continued



THE SUMMIT SUBANG USJ ("THE SUMMIT")

The Summit Subang USJ is located within the main commercial hub of UEP Subang Jaya which is amongst one of the major townships in the Klang Valley. It is easily accessible to Kuala Lumpur city centre and its peripherals via most of the highways/expressways within Klang Valley; i.e. Lebuhraya Shah Alam (KESAS), the Federal Highway, the New Pantai Expressway (NPE) and Lebuhraya Damansara – Puchong.

Location

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

Description of Property

An integrated development consists of part of a stratified 6-level shopping mall with basement comprising level 1 to 6 (inclusive) known as The Summit USJ Shopping Mall, a stratified 13-level office tower comprising level 9 to 21 (inclusive) known as Menara Summit, a stratified 19-level hotel with a mezzanine level comprising of level 1, 5 and 6 and 7 to 22 (inclusive) known as The Summit Hotel Subang Jaya and a stratified 3-level basement car park known as The Summit Subang USJ Car Park being part of The Summit Subang USJ

Land Title (Parent Lot)

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

Tenure

Freehold

Encumbrance

Lien Holder's Caveat

Year of Completion

1998

Age of Building

24 years

Net Lettable Area

- Retail - 571,623
- Office - 135,445
- Hotel - 286,600

Existing Use

Commercial Office, Hotel and Retail Mall

Car Park

1,952

Number of Tenants

- Retail - 46
- Office - 11
- Hotel - 1

Date of Acquisition

31 March 2008

Acquisition Cost

RM280.1 million

Latest Revaluation

RM357.7 million

Date of Revaluation

31 March 2022

Occupancy Rate

- Retail - 60.8%
- Office - 65.5%
- Hotel - 100.0%

Gross Revenue

RM12.5 million

Net Rental Income

(RM1.2 million)

Major Capital Expenditure

RM1.7 million

Average Tenancy Period

1 - 3 years

Independent Valuer

Messrs VPC Alliance (KL) Sdn Bhd

Major Tenants

Retail

- Home Product Centre (M) Sdn Bhd
- Golden Screen Cinemas Sdn Bhd
- IMC Education Sdn Bhd
- Global One World Bowlers Sdn Bhd
- Dream Village Learning Centre Sdn Bhd

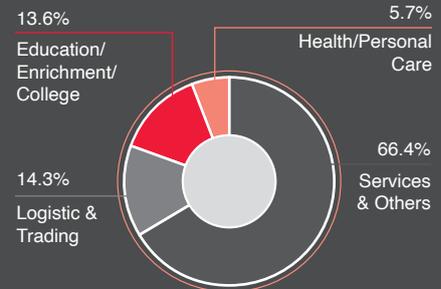
Office

- Salcon Resources Sdn Bhd
- NOL Global Services Sdn Bhd
- Bakat Pintar Sdn Bhd
- MS Tower (MYS) Sdn Bhd
- REKA Advisory Sdn Bhd

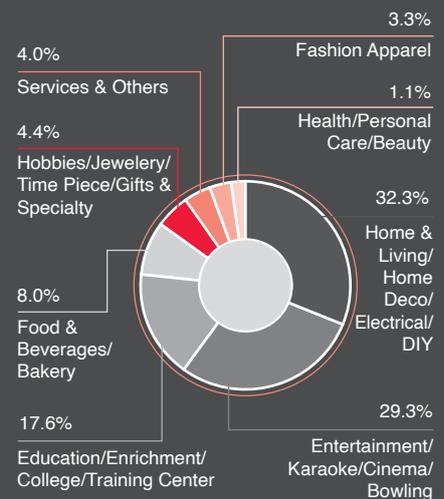
Property Manager

Knight Frank Property Management Sdn Bhd

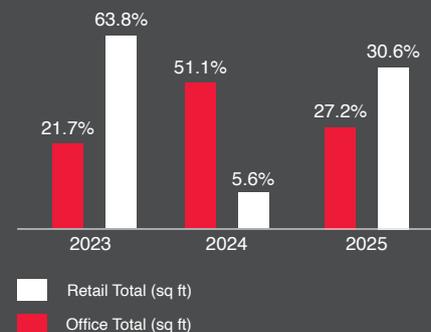
Tenants' Trade Mix Analysis "Office"



Tenants' Trade Mix Analysis "Retail"



Tenancy Expiry Profile



MARKET REPORT

1.0 MARKET INDICATIONS

1.1 Economic Indicators

Table 1: Malaysia – Key Economic Indicators, 2016 to 2021^(f)

Years	Economic Indicators		
	Gross Domestic Product ⁽¹⁾ (%)	Inflation Rate ⁽²⁾ (%)	Unemployment Rate (%)
2016	4.4	2.1	3.4
2017	5.8	3.7	3.4
2018	4.8	1.0	3.3
2019	4.4	0.7	3.3
2020	-5.6	-1.2	4.5
2021 ^(f)	3.1	2.5	4.6
1Q2021	-0.5	0.5	4.8
2Q2021	16.1	4.1	4.8
3Q2021	-4.5	2.2	4.7
4Q2021 ^(p)	3.6	3.2	4.3

Sources: Department of Statistics Malaysia / Bank Negara Malaysia

Notes:

(1) (p) = Preliminary data; (f) = Forecast

(2) Gross Domestic Product (GDP) at constant 2015

(3) Inflation rate at constant 2010

The onset of the COVID-19 pandemic since early 2020 has severely impacted the global economy - causing major disruptions to supply chains as many countries / regions impose lockdown to contain the spread of infections. In Malaysia, the spike in positive coronavirus cases since September 2020 (the third wave of infections) led to the re-imposition of MCO 2.0 in January 2021, followed by MCO 3.0 and full lockdown (FMCO) in May 2021. The reopening of the economy under the four-phase National Recovery Plan (NRP) has been gradual following the national roll-out of vaccines beginning on 24 February 2021 and as vaccination drive ramps up.

The Malaysian economy slipped back into contraction with gross domestic product (GDP) shrinking 4.5% in 3Q2021 (2Q2021:+16.1%), this was largely attributed to the re-imposition of strict containment measures in July 2021, which weighed down economic activities. However, the economy rebounded by expanding 3.6% in 4Q2021 following the progressive lifting of containment measures and normalisation of domestic activities.

For the full year of 2021, the country's economy grew by 3.1%, supported by improvement in market conditions with continued policy support.

As for headline inflation, it increased to 3.2% in 4Q2021 (3Q2021: 2.2%), mainly due to the lapse in the three-month electricity bill discounts, which was implemented in July 2021. For 2021, the overall headline inflation averaged at 2.5% due to the cost-push factor of higher global oil prices.

Due to the unprecedented crisis caused by the COVID-19 outbreak, the country's unemployment rate for year 2020 was recorded at 4.5%, the highest since 1995. The mobility restrictions affected employment activity, resulting in the unemployment rate edging upwards from April to June, particularly in the travel and tourism related industries. It peaked at 4.6% in 2021 amid the challenging environment impacted by re-imposition of strict containment measures.

Moving into year 2022, the country's economic recovery is expected to accelerate further with GDP growth expansion of between 5.5% and 6.5% (source: Ministry of Finance Malaysia). The ongoing Russia – Ukraine crisis, however, threatens global economic recovery including Malaysia.

The continuation of large-scale infrastructure projects such as the under-construction East Coast Rail Line (ECRL), Mass Rapid Transit Sungai Buloh-Serdang-Putrajaya Line (MRT2), Light Rail Transit Bandar Utama–Klang Line (LRT3), and Pan Borneo Highway will provide additional lift to the nation's economic growth.

MARKET REPORT

continued

1.0 MARKET INDICATIONS (CONTD.)

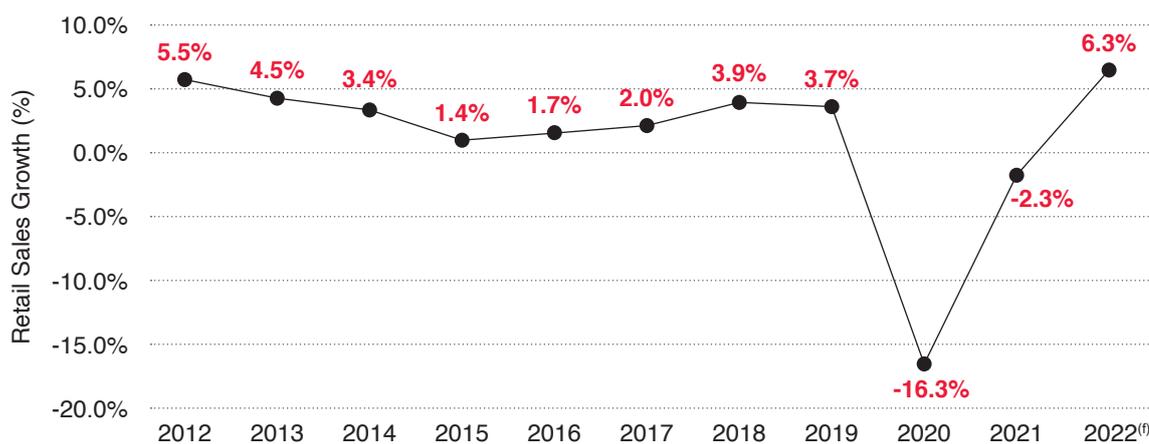
1.2 Impact of COVID-19

1.2.1 Retail Performance Below Expectation

The onset of the COVID-19 pandemic in early 2020, which led to the enforcement of MCO and the subsequent phases of conditional and recovery MCO (CMCO and RMCO), severely disrupted the retail industry. The country's retail sales registered a deep contraction of -16.3% in 2020, its worst performance since the Asian Financial Crisis (1998: -20.0%).

Despite the re-imposition of various phases of lockdown in 2021, there was improvement in Malaysia's retail industry, posting a smaller annual contraction of -2.3% in retail sales. And as the country transitions into an endemic phase on 1 April 2022, there is newfound optimism with retail sales growth projected at 6.3% for 2022.

Chart 1: Malaysia - Retail Sales Growth, 2012 to 2022^(f)



Sources: Malaysia Retailers Association (MRA) / Knight Frank Research

Note: (f) = Forecast

The MIER Consumer Sentiments Index (CSI) was recorded at 97.2 points in 4Q2021, falling below the 100-point optimism threshold. The index declined by 4.5 points (3Q2021: 101.7 points), reflecting consumers' subdued income and employment expectations amid rising concerns over price inflation.

MARKET REPORT

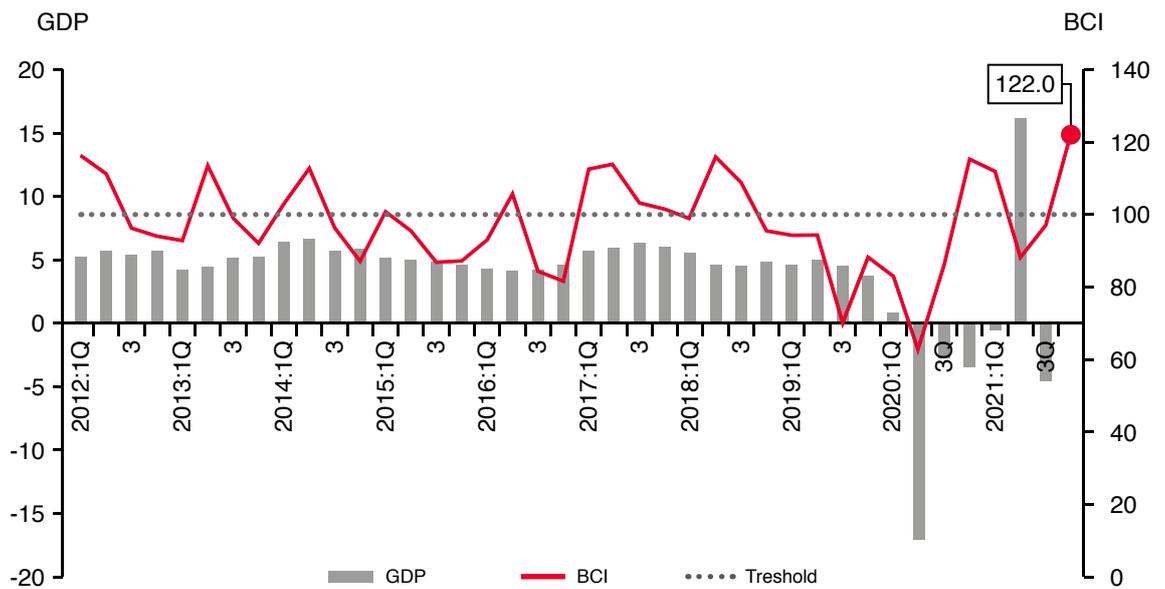
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1.0 MARKET INDICATIONS (CONTD.)

1.2 Impact of COVID-19 (Contd.)

1.2.2 Return of Manufacturers' Confidence

Chart 2: Malaysia – Business Conditions Index (BCI), 2012 to 4Q2021



Sources: Malaysian Institute of Economic Research (MIER)

The Business Conditions Index (BCI) climbed 25.0 points to read at 122.0 points in 4Q2021 (3Q2020: 97.0 points), following a surge in domestic and export demands, as well as a rise in capital investment and improved employment conditions.

On an annual basis, the index expanded 6.6 points (4Q2020: 115.4 points), reflecting the return of confidence among manufacturers after a two-year decline since the onset of the COVID-19 outbreak in 1Q2020.

MARKET REPORT

continued

2.0 OFFICE MARKET OVERVIEW

2.1 Kuala Lumpur

2.1.1 Supply

The supply of office space in Kuala Lumpur has grown steadily over the years. Between 2015 and 2021, office supply in KL Fringe grew at a Compound Annual Growth Rate (CAGR) of circa 3.6%, outpacing KL City's CAGR of 2.4%.

Chart 3: KL City & KL Fringe - Cumulative Supply of Purpose-Built Office Space, 2015 & Prior to 2021^(p)



Source: Knight Frank Research

Note: (p) = Preliminary data

The bulk of existing office supply comes from KL City, recorded at about 66.7% or 58.9 million sq ft whilst the remaining office stock of 29.4 million sq ft or 33.3% is located in KL Fringe. The latter covers the decentralized localities of Bangsar South, Kerinchi, Damansara Heights, KL Sentral, Mid Valley City, KL Eco City, Pantai, Bangsar, Taman Tun Dr Ismail (TTDI), Mont Kiara and Dutamas.

In 2021, five (5) buildings were completed in KL City, namely International Quarter (Menara IQ) (formerly known as HSBC Tower) at TRX (circa 555,000 sq ft NLA), Permata Sapura (circa 670,000 sq ft NLA), Menara Great Eastern 2 (circa 212,000 sq ft NLA) and TS Law Tower (circa 294,000 sq ft NLA) and Plaza Conlay @ Conlay 301 (circa 606,000 sq ft NLA).

A high impending supply of circa 8.3 million sq ft is expected to enter the market in the near term (2022 and 2023).

MARKET REPORT

continued

2.0 OFFICE MARKET OVERVIEW (CONTD.)

2.1 Kuala Lumpur (Contd.)

2.1.2 Occupancy

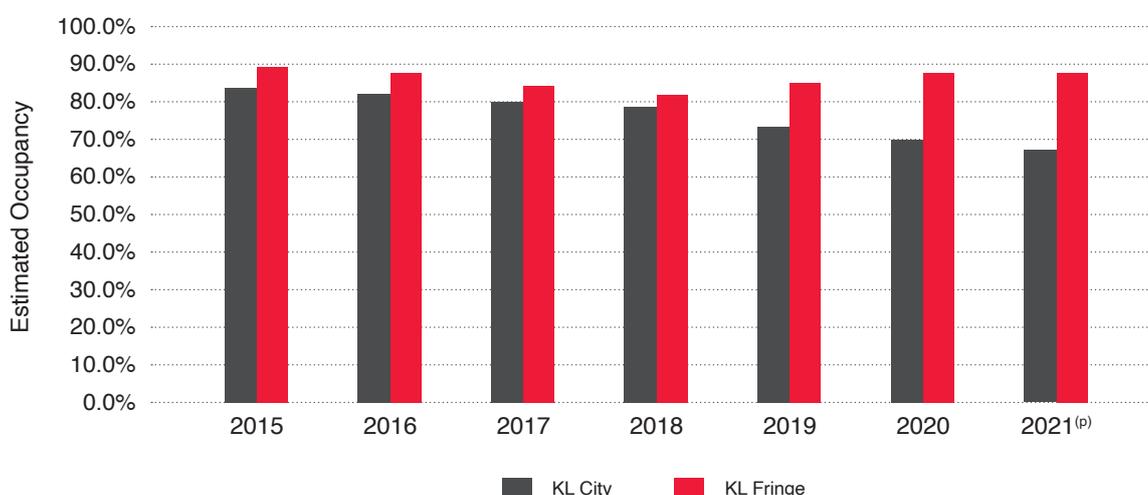
In KL City, amid growing imbalance in supply and demand, the overall occupancy rate of office buildings continued to weaken from 69.4% in 2020 to 66.7% in 2021.

Meanwhile, in KL Fringe, with sustained demand and no notable new completion, the overall occupancy rate maintained to post at 86.0% (2020: 86.0%).

The Kuala Lumpur office market saw positive absorption of circa 770,000 sq ft in the first three quarters of 2021 as the property market slowly recover amid the unprecedented COVID-19 crisis. The office market continued to experience positive net absorption of at least 155,000 sq ft during 4Q2021. The positive absorption was mainly contributed by the commendable take-up of office space in buildings, such as The Exchange 106, Menara Hap Seng 3 and Menara HLX.

For the whole year of 2021, the Kuala Lumpur office market saw a positive net absorption of circa 925,000 sq ft.

Chart 4: KL City & KL Fringe – Overall Occupancies of Purpose-Built Office Space, 2015 to 2021^(p)



Source: Knight Frank Research

Note: (p) = Preliminary data

2.1.3 Rental Rates

Similar to the occupancy trend, the average rental rate of prime office space in KL City (Prime A+ and Grade A) was lower on the year to record at RM7.69 per sq ft per month (2020: RM8.06 per sq ft per month).

In the New CBD, Prime A+ and Grade A office space consistently command higher average achievable rental rates when compared to similar Grade A space located in the Old CBD.

MARKET REPORT

continued

2.0 OFFICE MARKET OVERVIEW (CONTD.)

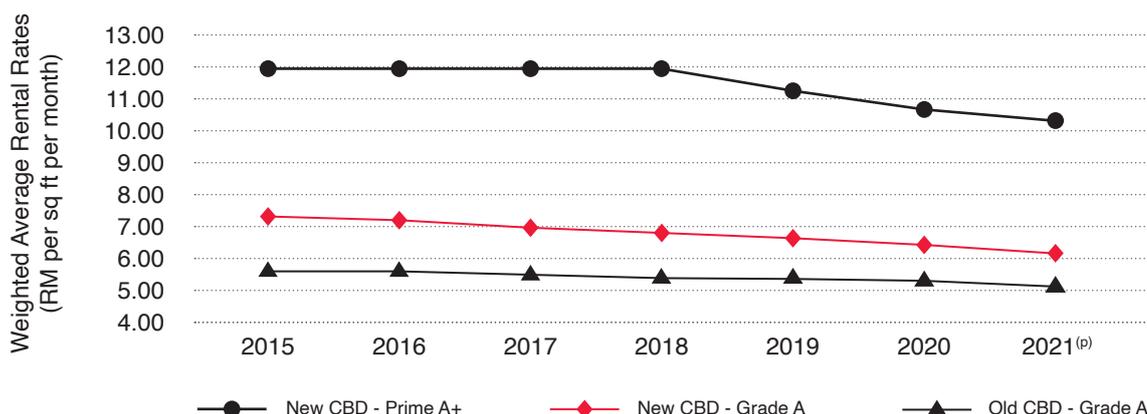
2.1 Kuala Lumpur (Contd.)

2.1.3 Rental Rates (Contd.)

The average rental rate for Prime A+ office space in the New CBD, which has continued to hold steady at circa RM11.94 per sq ft per month since 2015, dropped to RM11.27 per sq ft per month in 2019. In 2020, amid the pandemic outbreak, it dipped further to RM10.68 per sq ft per month following the emerging ‘work from home’ (WFH) trend. As the prolonged pandemic continues to impact the economy and businesses, the average rental rate continued to weaken to RM10.32 per sq ft per month in 2021.

Meanwhile, the average rental rates of Grade A office space in the New CBD and Old CBD were also lower at RM6.06 per sq ft and RM5.13 per sq ft per month respectively in 2021 (2020: New CBD - RM6.45 per sq ft per month; Old CBD - RM5.33 per sq ft per month).

Chart 5: KL City - Average Achievable Rental Rates of Prime Office Space, 2015 to 2021^(p)



Source: Knight Frank Research

Notes:

(p) = Preliminary data

- (1) GT refers to Golden Triangle; CBD refers to Central Business District
- (2) Prime A+: Iconic buildings located within prime or main address that form part of integrated developments, equipped with high quality marble/stone finishes and up-to-date facilities, and usually command the highest rents and attract high-profile tenants such as multinational companies.
- (3) Grade A: Modern buildings usually located within main or secondary address with high quality finishes, good amenities, accessibility and having full range of facilities.

MARKET REPORT

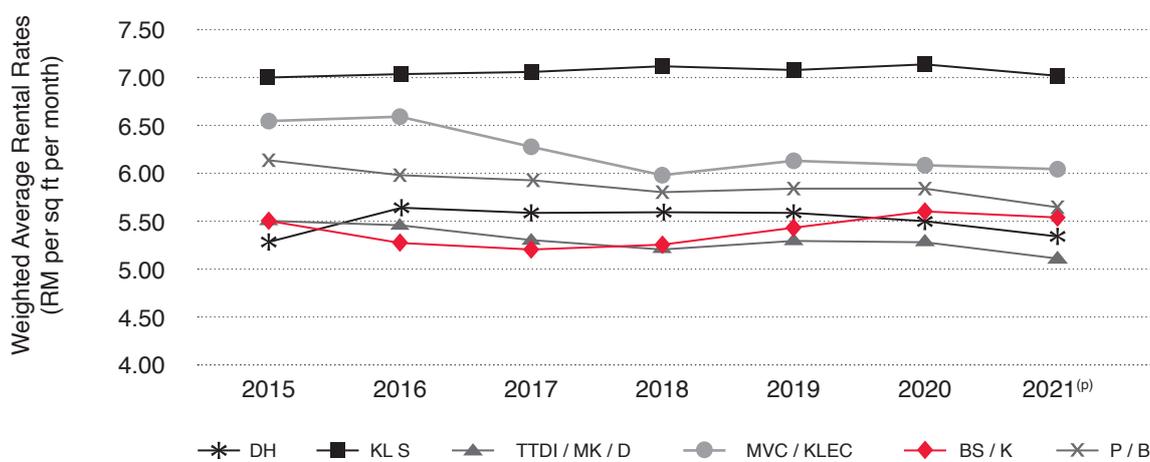
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2.0 OFFICE MARKET OVERVIEW (CONTD.)

2.1 Kuala Lumpur (Contd.)

2.1.3 Rental Rates (Contd.)

Chart 6: KL Fringe - Average Achievable Rental Rates of Grade A Purpose-Built Office Space in Selected Localities, 2015 to 2021^(p)



Source: Knight Frank Research

Notes:

(p) = Preliminary data

(1) DH – Locality of Damansara Heights;

(2) KLS – Locality of Kuala Lumpur Sentral;

(3) TTDI / MK / D – Locality of Taman Tun Dr. Ismail/Mont Kiara/Dutamas;

(4) MVC / KLEC – Locality of Mid Valley City/KL Eco City;

(5) BS / K – Bangsar South/Kerinci;

(6) P / B – Pantai/Bangsar

In KL Fringe, there were marginal declines in the average monthly rental rates of Grade A office space in the sub-markets of KL Sentral and Bangsar South / Kerinci at RM7.04 per sq ft (2020: RM7.14 per sq ft) and RM5.55 per sq ft (2020: RM5.57 per sq ft) respectively. Similarly, in the locality of Pantai / Bangsar, the average monthly rental in the locality of Pantai / Bangsar declined to RM5.66 per sq ft while in other decentralised office locations, the average monthly rental rates were also generally lower and range between RM5.14 per sq ft and RM6.05 per sq ft.

MARKET REPORT

continued

2.0 OFFICE MARKET OVERVIEW (CONTD.)

2.2 Selangor

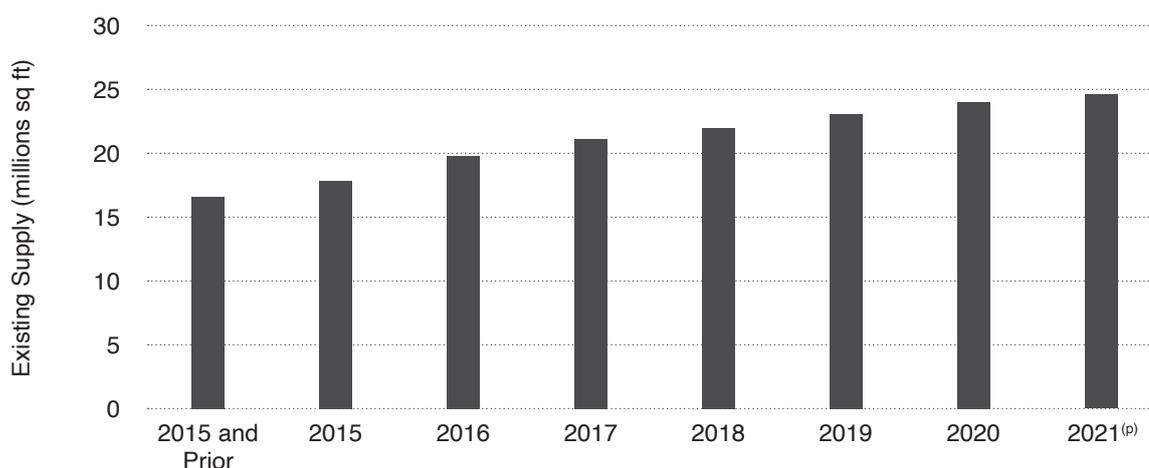
2.2.1 Supply

The supply of purpose-built office space in Selangor has also increased steadily since 2015. As of 2021, the cumulative supply of office space in Selangor stood at approximately 24.4 million sq ft, depicting a CAGR of circa 5.5% (2015: 17.7 million sq ft).

There was only one notable office completion in Selangor in 2021, namely Imazium @ Uptown (circa 450,000 sq ft NLA).

Office buildings slated for completion in 2022 include Quill 9 Annex, Blocks G and J of Empire City and two office towers @ Atwater. Collectively, these buildings are expected to add another 1.0 million sq ft to the existing stock.

Chart 7: Selangor - Cumulative Supply of Purpose-Built Office Space, Pre-2015 to 2021^(p)



Source: Knight Frank Research
Note: (p) = Preliminary data

2.2.2 Occupancy

Since 2015, the overall occupancy rate of purpose-built office space in Selangor has remained fairly steady at above the 75.0% mark. It peaked at 79.4% in 2019 before declining to 78.2% in 2020 due to challenges amid the prolonged pandemic. In 2021, the overall occupancy rate declined further to record at 75.0%.

MARKET REPORT

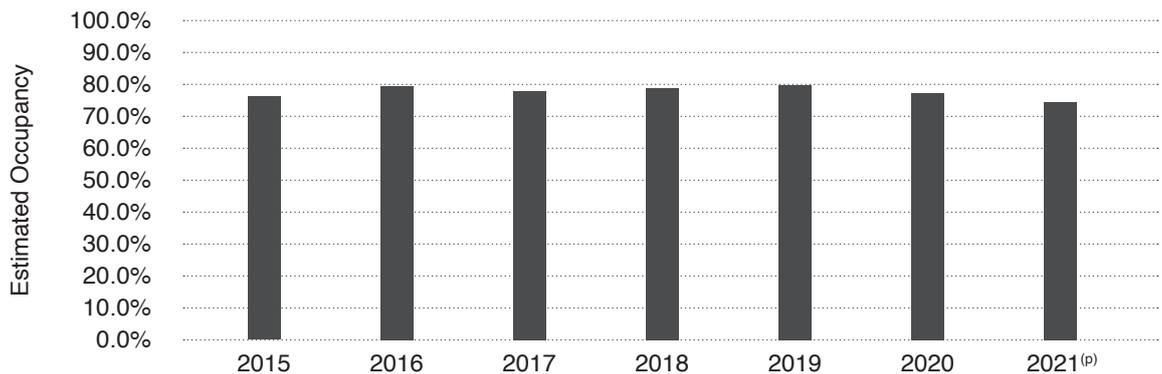
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2.0 OFFICE MARKET OVERVIEW (CONTD.)

2.2 Selangor (Contd.)

2.2.2 Occupancy (Contd.)

Chart 8: Selangor – Overall Occupancies of Purpose-Built Office Space, 2015 to 2021^(p)



Source: Knight Frank Research
Note: (p) = Preliminary data

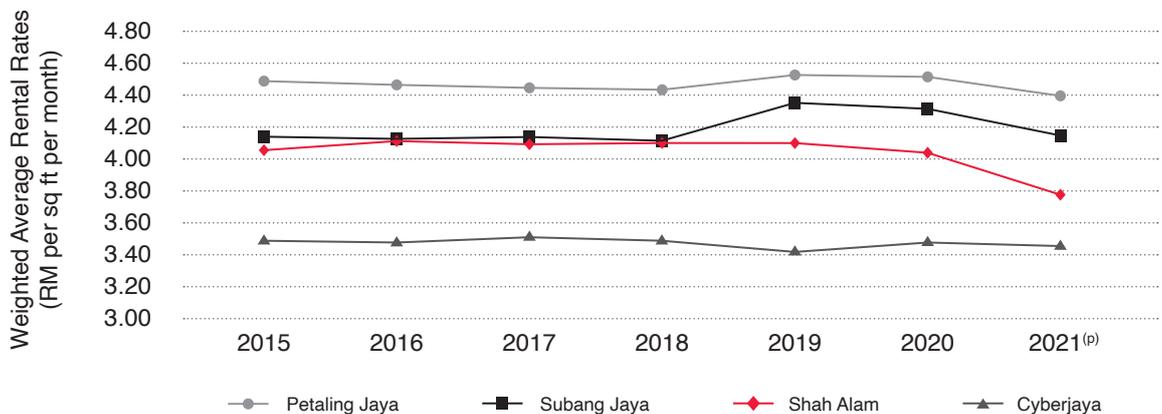
All the office sub-markets in Selangor, namely Petaling Jaya, Subang Jaya, Shah Alam and Cyberjaya experienced lower occupancy rates in 2021.

For the whole year of 2021, the Selangor office market saw a negative net absorption of circa 195,000 sq ft contributed by lower level of leasing activity during the pandemic and tenant movements from office buildings such as Surian Tower, Crystal Plaza and CP Tower.

2.2.3 Rental Rates

The overall average monthly rental rate of purpose-built office space in Selangor declined from RM4.28 per sq ft per month in 2020 to RM4.13 per sq ft in 2021.

Chart 9: Selangor - Average Achievable Rental Rates of Purpose-Built Office Space in Selected Localities, 2015 to 2021^(p)



Source: Knight Frank Research
Note: (p) = Preliminary data

MARKET REPORT

continued

2.0 OFFICE MARKET OVERVIEW (CONTD.)

2.2 Selangor (Contd.)

2.2.3 Rental Rates (Contd.)

In Shah Alam, the average monthly rental rate decreased marginally to RM3.45 per sq ft while in Petaling Jaya and Subang Jaya, the rates were lower at RM4.39 per sq ft (2020: RM4.52 per sq ft) and RM4.16 per sq ft (2020: RM4.33 per sq ft) respectively. As for Cyberjaya, the average monthly rental rate declined to RM3.78 per sq ft (2020: RM4.03 per sq ft).

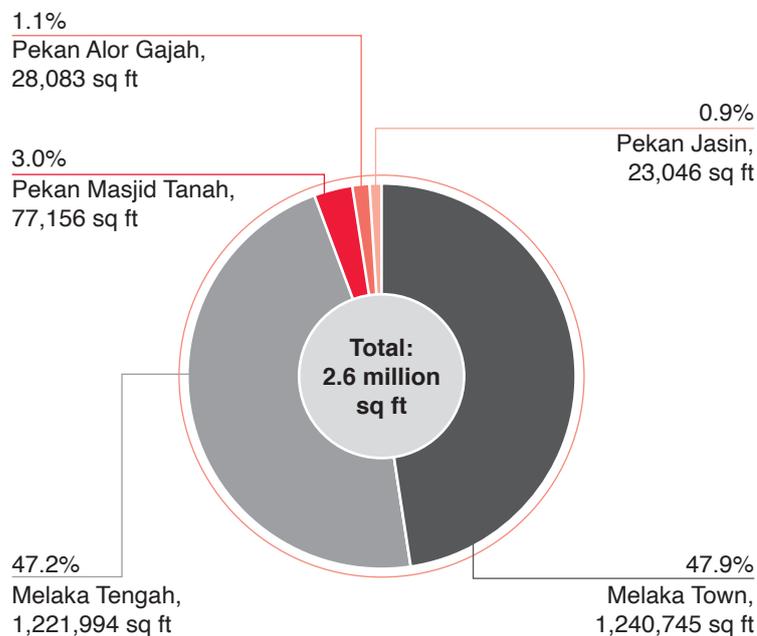
2.3 Melaka

2.3.1 Supply

As of 3Q2021, the cumulative supply of purpose-built office space in Melaka stood at circa 2.6 million sq ft (excluding government buildings). No notable completions have been recorded since 2016.

The concentration of private office supply is fairly distributed between Melaka Town and Melaka Tengah with circa 1.2 million sq ft each (about 47.9% and 47.2% share of total office stock in the state). Collectively, Pekan Jasin, Pekan Masjid Tanah and Pekan Alor Gajah constitute the remaining office supply with approximately 128,284 sq ft or 5.0% share.

Chart 10: Melaka - Cumulative Existing Supply of Purpose-Built Office Space, as of 3Q2021^(p)



Source: NAPIC

Notes: (p) = Preliminary data

The above supply includes privately owned purpose-built office buildings (excluding government buildings)

MARKET REPORT

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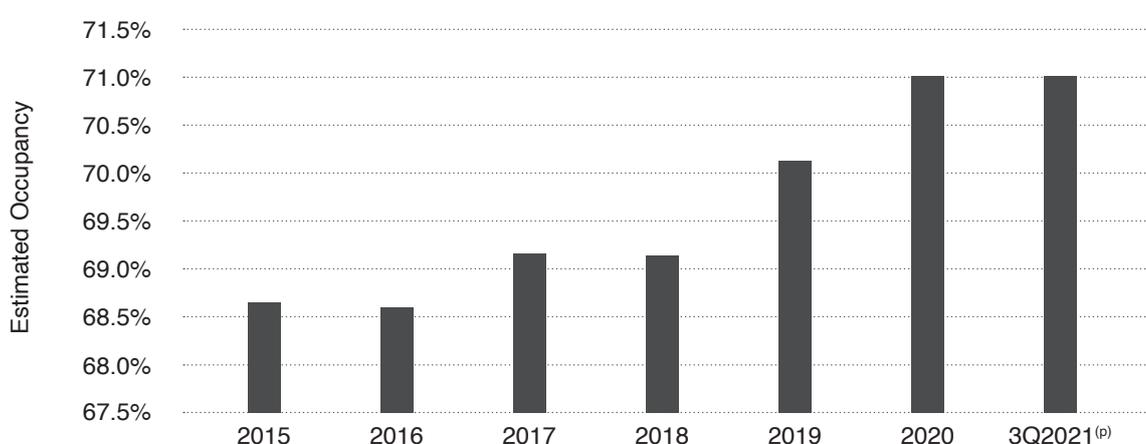
2.0 OFFICE MARKET OVERVIEW (CONTD.)

2.3 Melaka (Contd.)

2.3.2 Occupancy

In the privately-owned office segment, the overall occupancy rate remained stable to record at 71.0% in 3Q2021 (2020: 71.0%).

Chart 11: Melaka – Overall Occupancies of Purpose-Built Office Space, 2015 to 3Q2021^(p)



Source: NAPIC

Note: (p) = Preliminary data

Office space in Pekan Alor Gajah are generally fully taken up while in Pekan Masjid Tanah, the occupancy rate has constantly hovered above the 90.0% mark. Meanwhile, in Melaka Town and Pekan Jasin, the average occupancies continue to range between 75% and 79%.

2.3.3 Rental Rates

Generally, the gross rentals of selected existing office buildings in prime Central Town area continued to hold steady.

Table 2: Melaka – Rental Range of Selected Office Buildings in Central Town, 1H2021

Name of Building / Location	Rental Range (RM per sq ft / month)
Bangunan Graha Maju Jalan Hang Tuah	1.60 - 2.20
Bangunan Graha Peladang Jalan Hang Tuah	1.30 - 2.20
Bangunan Tabung Haji Jalan Bandar Kaba	0.80 - 2.10
Bangunan Risda Jalan Tun Sri Lanang	1.90 - 2.00
Kompleks Tun Sri Lanang Jalan Tun Sri Lanang	2.50 - 2.70

Source: NAPIC / Knight Frank Research

MARKET REPORT

continued

2.0 OFFICE MARKET OVERVIEW (CONTD.)

2.4 Market Outlook

Although more economic sectors and businesses are allowed to reopen under Phase 4 of the NRP (effective 18 October 2021), it is anticipated that it will take some time for the office market to return to pre-pandemic era as some companies, especially MNCs, are still evaluating their future workplace strategy.

With more organisations gravitating towards the hybrid working arrangement, the need to elevate the physical office experience is crucial. Human touch and collaboration are needed, especially in the workplace where teamwork and cooperation are essential. Office is here to stay with a clear appetite for the workplace to be elevated in quality and richer in amenities.

Moving forward, growing interest in the co-working segment is expected to continue due to its flexibility that enables companies to scale up or down their space requirements without committing to a longer-term plan. It is also a good option for new occupiers looking to navigate amid the current challenging environment.

Businesses related to e-commerce, hygiene and healthcare, insurance, technology, business process outsourcing and logistics are performing well this year and we foresee more take up from these sectors going into 2022.

In the near term, the rental rates and occupancy levels of office buildings in Malaysia, especially in Klang Valley where there is also an imbalance in supply and demand, will continue to experience downward pressure. Additionally, as companies rightsize and relocate during the pandemic, plenty of fit-out units are left behind in the market. In this tenant-led market, landlords are more ready to negotiate for competitive rents and thus, this has resulted in declining rental trend especially in KL City. As for KL Fringe, its occupancy level appears to be stabilising as landlords are forthcoming to negotiate rentals to retain tenants.

Overall, the Kuala Lumpur office market is seen to be sustaining the pandemic with landlords continuing to offer incentives such as rent-free period, capital expenditure amortisation, flexible tenancy terms and space usage to remain competitive in the market.

Meanwhile, the Selangor office market is expected to remain relatively resilient in the medium to longer-term supported by a wider pool of tenants/occupiers, attractive rental and leasing packages as well as improved rail network that continues to drive demand for office space in established and upcoming decentralised locations.

As for Melaka, with no impending supply in the near to medium term, the office market is expected to remain resilient with both rental and overall occupancy levels holding steady.

MARKET REPORT

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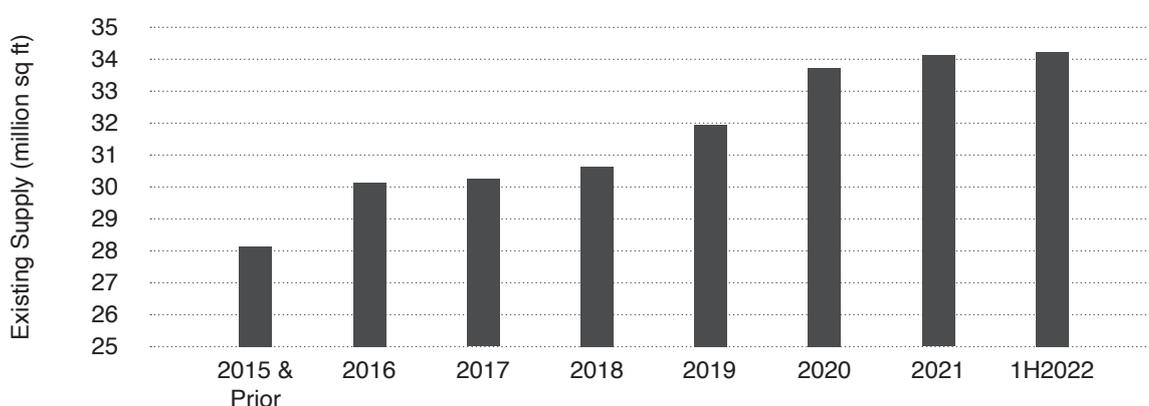
3.0 RETAIL MARKET OVERVIEW

3.1 Selangor

3.1.1 Supply

As of 1H2022, the cumulative supply of retail space in Selangor stood at circa 34.28 million sq ft following the completion of Ecohill Walk Mall with approximately 170,000 sq ft of NLA.

Chart 12: Selangor - Cumulative Supply of Retail Space, Pre-2015 to 1H2022



Source: Knight Frank Research

Note: Putrajaya supply is included in Selangor and the above supply excludes standalone hypermarket

The scheduled completions / openings of three incoming retail developments have been delayed to 2022 amid the challenging retail climate due to the prolonged pandemic. These three (3) retail components / retail centres will increase the existing cumulative retail supply by circa 1.98 million sq ft NLA.

Table 3: Selangor – Retail Centres / Retail Components Scheduled for Completion / Opening, 2022

Name of Building / Location	Location	Estimated NLA (sq ft)
Retail Component of Datum Jelatek	Ampang	326,000
KSL Esplanade Mall	Klang	650,000
IOI City Mall Phase 2	Putrajaya	1,000,000
Total		1,976,000

Source: Knight Frank Research

Note: Putrajaya supply is included in Selangor

3.1.2 Occupancy

The average occupancy rate of shopping centres in the state peaked at 87.9% in 2015 and has since continued to downtrend, recording at 79.2% in 3Q2021. It is, however, noteworthy to mention that the average occupancy for Selangor has continued to hover close to the 80.0% threshold despite the high supply pipeline of retail space coming into the market and the challenging business landscape.

(Source: NAPIC)

MARKET REPORT

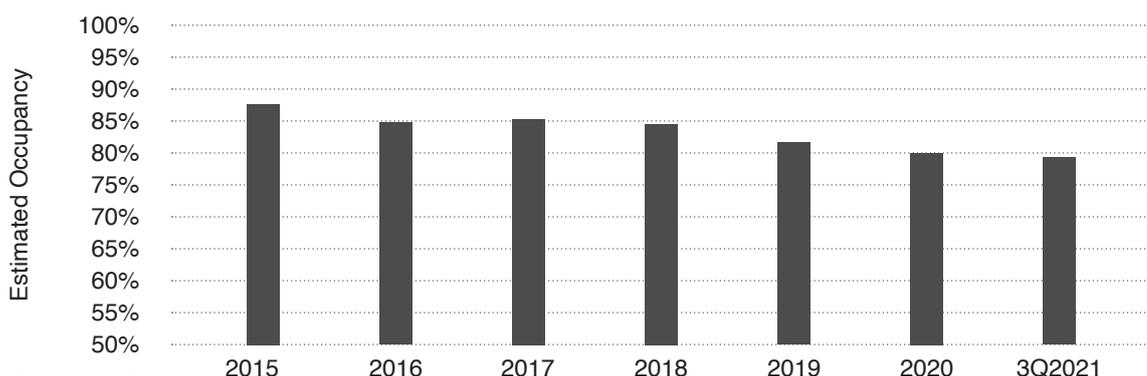
continued

3.0 RETAIL MARKET OVERVIEW (CONTD.)

3.1 Selangor (Contd.)

3.1.2 Occupancy (Contd.)

Chart 13: Selangor – Average Occupancy Rates of Shopping Centres, Arcades and Hypermarkets, 2015 to 3Q2021



Source: NAPIC

Note: (p) = Preliminary data

3.1.3 Rental Rates

The rental levels of selected shopping centres in Selangor are summarised in the table below.

Table 4: Selangor: Rental Levels of Retail Space in Selected Shopping Centres, 1H2021

Shopping Centre	Location	Floor Level	Rental Range (RM per sq ft / month)
1 Utama Shopping Centre	Bandar Utama	Lower Ground	12.00 - 50.00
		Ground	14.00 - 34.00
		1	13.00 - 37.00
		2	7.00 - 31.00
Sunway Pyramid Shopping Mall	Bandar Sunway	Lower Ground 2	16.80 - 33.20
		Lower Ground 1	13.60 - 45.30
		Ground	21.60 - 43.80
		1	17.50 - 32.50
Subang Parade	Subang Jaya	Lower Ground	7.80 - 20.60
		Ground	12.00 - 23.40
		1	4.00
Central I-City	Shah Alam	Lower Ground	6.00 - 17.00
		Ground	10.00 - 23.00
		1	8.00 - 30.00
		2	6.00 - 16.00
IOI Mall	Bandar Puchong	3	8.00 - 13.00
		Ground	9.00 - 33.30
		1	6.00 - 16.5
Melawati Mall	Taman Melati	2	9.30 - 15.00
		Lower Ground	5.60 - 18.80
		Ground	8.60 - 32.60
		1	5.00 - 8.60
		2	6.10 - 18.60
		3	9.30 - 22.60
		4	5.30 - 18.10
		5	5.40 - 18.10
		6	5.60 - 10.60

Sources: NAPIC / Knight Frank Research

MARKET REPORT

continued

3.0 RETAIL MARKET OVERVIEW (CONTD.)

3.1 Selangor (Contd.)

3.1.3 Rental Rates (Contd.)

Prominent shopping centres in Selangor, namely 1 Utama Shopping Centre and Sunway Pyramid Shopping Mall command high rental rates ranging from RM7.00 per sq ft to RM50.00 per sq ft per month depending on the location / orientation / positioning of the retail lot within the mall, floor level, unit sizing and other factors.

Newer built shopping centres with more modern facilities and amenities such as Central i-City and Melawati Mall, have competitive rental rates ranging from RM5.00 per sq ft to RM32.60 per sq ft per month.

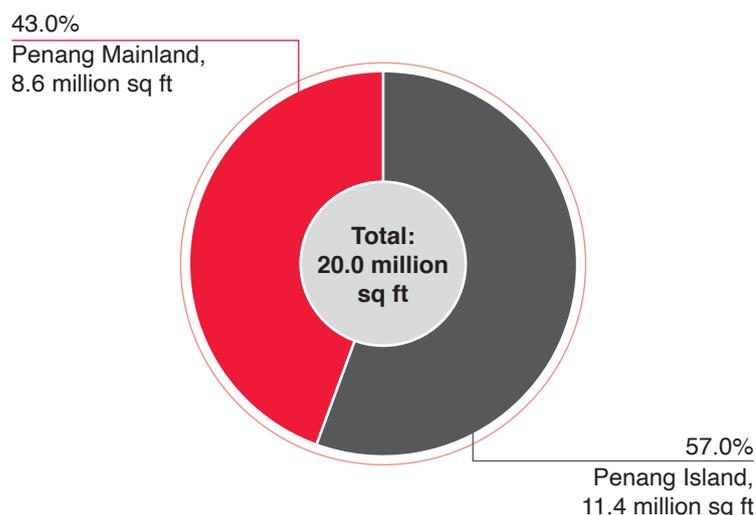
Meanwhile, rental levels of neighbourhood shopping centres which cater to the needs of local communities, such as Subang Parade and IOI Puchong, remained firm and range from RM4.00 per sq ft to RM33.30 per sq ft per month.

3.2 Penang

3.2.1 Supply

The cumulative supply of retail space in Penang was recorded at 20.1 million sq ft as of 3Q2021 (*source: NAPIC*). Penang Island accounted for 57.0% share (11.4 million sq ft) of the total supply while the remaining 43.0% share (8.6 million sq ft) are located in Penang Mainland area.

Chart 14: Penang - Existing Supply of Shopping Centres, Arcades and Hypermarkets, 2021



Source: NAPIC

There are three (3) retail centres scheduled for completion in Penang in 2022, with combined retail space of circa 2.05 million sq ft. One (1) is located in Penang Island, namely Penang Times Square (Phase 3), while the remaining two (2) being the extension of Sunway Carnival Mall and Gem Mall are located on Penang Mainland.

MARKET REPORT

continued

3.0 RETAIL MARKET OVERVIEW (CONTD.)

3.2 Penang (Contd.)

3.2.1 Supply (Contd.)

Table 5: Penang – Retail Centres Scheduled for Completion / Opening, 2022

Shopping Centre	Location	Estimated NLA (sq ft)
Penang Times Square (Phase 3)	Georgetown	350,000 ⁽¹⁾
Sunway Carnival Shopping Mall (Extension)	Seberang Jaya	500,000
Gem Mall	Seberang Perai	1,200,000
Total		2,050,000

Source: Knight Frank Research

Note: (1) Penang Times Square (Phase 3) reflects its GFA

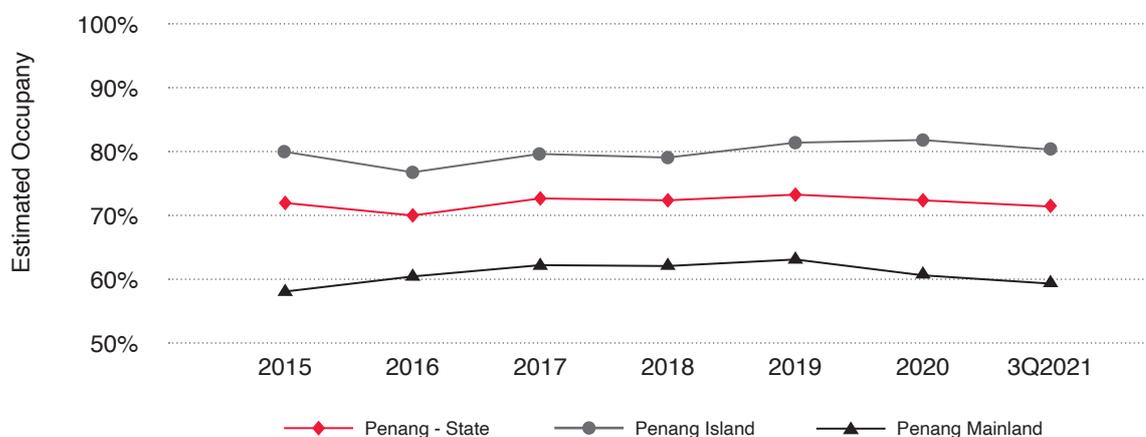
Sunway Carnival Mall in Seberang Jaya is set to increase its number of shops by 60%, from 220 shops to 350 shops. The RM500 million extension will increase the lettable area to 1.0 million sq ft with a committed occupancy rate of 95%.

3.2.2 Occupancy

The average occupancy rate of retail space (inclusive of shopping centres, arcades and hypermarkets) in Penang (include Penang Island and Penang Mainland) has been fairly stable since 2015 and peaked at 73.8% in 2019.

In 3Q2021, the overall average occupancy rate dipped to 71.2% (3Q2020: 72.9%). In Penang Mainland, higher vacancy in the locality of Butterworth led to occupancy dropping to 59.7% (2019: 60.8%). Similarly, in Penang Island, the occupancy rate declined to 79.9% (2020: 81.3%) following increasing vacancies in the localities of Georgetown and Tanjung Tokong.

Chart 15: Penang – Average Occupancy Rate of Shopping Centres, Arcades and Hypermarkets, 2015 to 3Q2021



Source: Knight Frank Research

Note: (p) = Preliminary data

MARKET REPORT

continued

3.0 RETAIL MARKET OVERVIEW (CONTD.)

3.2 Penang (Contd.)

3.2.3 Rental Rates

Amid the pandemic, rental rates of retail space in selected established shopping centres in the central town prime area on Penang Island continued to hold firm.

Table 6: Penang – Penang - Rental Rates of Selected Shopping Centres, 1H2021

Shopping Centre	Floor	Rental Range (RM per sq ft / month)
Gurney Plaza	Ground	12.40 - 47.90
	1	17.40 - 37.70
	2	4.00 - 48.50
	3	9.60 - 32.30
	4	6.70 - 22.80
Gurney Paragon	Lower Ground	4.80 - 12.90
	1	10.40 - 22.70
	2	15.80 - 21.10
	3	4.80 - 14.70
	4	10.40 - 17.40
	5	4.20 - 14.20
	6	7.80 - 14.40
1st Avenue	Ground Floor	10.00 - 35.00
	1	5.00 - 7.00
	2	6.90 - 11.00
	3	7.40
	4	5.00

Source: NAPIC

The rental rates generally range from RM4.00 per sq ft to RM48.50 per sq ft per month, depending on factors such as location and building condition of the mall, floor level and size of retail lots amongst others.

MARKET REPORT

continued

3.0 RETAIL MARKET OVERVIEW (CONTD.)

3.3 Market Outlook

Klang Valley returns to a semblance of normalcy since entering Phase 4 of the National Recovery Plan (NRP) on 18 October 2021. The reopening of the economy and lifting of interstate travel restrictions bring relief to the heavily impacted retail sector.

The recovery of the retail sector is expected to be gradual given cautious consumer sentiments. The interminable and unprecedented periods of lockdown on the various economic sectors have led to growing concern of increasing retail closures amid accumulating debts and decreasing revenues of business owners / retailers. This is despite the government's multiple economic stimulus packages totalling RM530 billion to mitigate the impact of the COVID-19 pandemic.

In the short to mid-term, the rental and occupancy levels in retail market are expected to experience pressure following adverse impact of the COVID-19 pandemic coupled with weaker demand amid incoming supply of retail space.

However, there continue to be windows of opportunities for retailers amid the pandemic-riddled economy, supported by record low interest rates and attractive leasing packages from landlords in the form of fit-out, rent-free periods, financial assistance, or marketing assistance. In Budget 2022, the government has allocated RM33 million towards the "buy local" campaigns and RM250 million to continue with the Shop Malaysia Online and Go-eCommerce Onboarding campaigns to further support recovery of the local retail industry.

The new norm brought upon by the pandemic is set to have lasting impact. Retail premises are expected to continuously embrace strict standard operating procedures, bringing security, health and hygiene to the forefront.

Besides accelerating the shift towards e-commerce, digital payments including the Buy Now, Pay Later (BNPL) services has gained traction amid the pandemic. Driven by changing consumer behaviour, retailers and stakeholders are expected to continue to enhance their omnichannel strategies to provide consumers with a seamless shopping experience, in which physical and digital platforms not only co-exist but complement one another.

The pace of recovery of the retail sector is threatened by the surging Omicron variant, rising inflation and global supply chain disruptions. However, with further relaxation of COVID-19 measures coupled with the reopening of the country's international borders as Malaysia transitions into the endemic phase on 1 April 2022, there is renewed optimism for the year 2022.



Sustainability Statement

Our Year in Review

FY2022 marks the 5th year of our sustainability journey. This Sustainability Statement outlines our response to sustainability issues that were exacerbated by the global health crisis caused by COVID-19. These issues inspired us to build a solid foundation to deliver on our Environmental, Social and Governance (“ESG”) performance, focusing on robust corporate governance, climate change, human capital management and community empowerment.

In keeping with our aspirations, we established a 3-Year ESG Roadmap (“Roadmap”) to accelerate the integration of ESG values into our business practices. The Roadmap allows us to refine our approach to sustainability and to communicate the relevant strategies to our stakeholders in a more transparent manner.

In FY2022, we created a dedicated email address to improve employees’ access for a Management Ombudsperson and demonstrate the integrity of our corporate governance mechanisms.

To improve the assessment of our Scope 2 greenhouse gas (“GHG”) emissions, we have recalculated our energy intensity considering the fluctuation in the occupancy rates as our tenants’ transition from normal working hours to hybrid or flexible arrangements. The new denominator allows for a more accurate assessment and disclosure of energy intensity which will enable us to better focus our climate efforts.

We acknowledge the continuing support of our stakeholders on our efforts towards contributing to a sustainable future for all. Our ESG strategies based on the Roadmap will enable us to create a positive impact on the people and planet, as well as stand ready to embrace change for a more resilient future.

SUSTAINABILITY STATEMENT

continued

FY2022 SUSTAINABILITY HIGHLIGHTS

		
<p>Developed a comprehensive 3-year ESG Roadmap</p>	<p>Established ESG Key Performance Indicators and Targets</p>	<p>Adopted Goal 13: Climate Action to the UN SDGs commitments</p>
<p>Environmental Stewardship</p>	<p>Social Responsibility</p>	<p>Strong Governance</p>
<p>7.4% reduction in building water intensity compared to FY2021</p> 	<p>Achieved 49.1 training hours per employee</p> 	<p>Enhanced the reporting procedure to allow for better access to an Ombudsperson(s)</p> 
<p>5.1% reduction in Scope 2 carbon emissions compared to FY2021</p> 	<p>Zero incidents of workplace injuries</p> 	<p>Zero cases of non-compliance with laws and regulations recorded</p> 
<p>Collaborated with AmBank Group to reduce single use plastic within selected buildings</p> 	<p>Provided various rental assistance packages to tenants impacted by COVID-19 including rental rebates worth RM3.1 million</p> 	<p>Zero significant risk of corruption identified via risk assessment</p> 

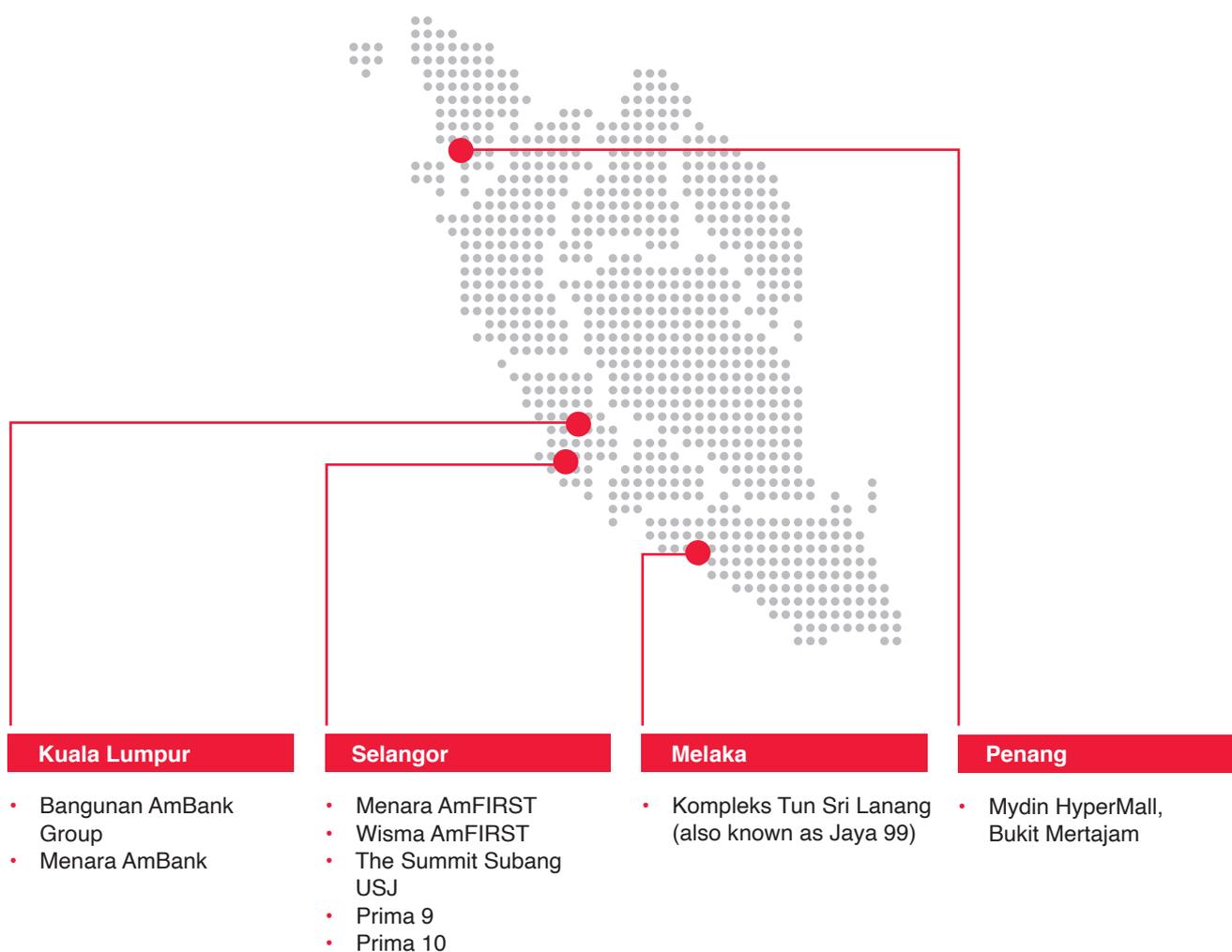
SUSTAINABILITY STATEMENT

continued

ABOUT THIS REPORT

Reporting Scope and Period

This Statement covers the period from 1 April 2021 to 31 March 2022 ("FY2022") unless stated otherwise. The Statement discloses information on the non-financial performance of our portfolio of nine (9) properties totaling approximately 3.2 million sq ft of net lettable area. Details of our properties are disclosed in the Asset Profile on pages 34 to 42 of this Annual Report.



No	Properties	Location	Gross Floor Area (m ²)
1.	Bangunan AmBank Group	Kuala Lumpur	69,392
2.	Menara AmBank	Kuala Lumpur	84,331
3.	Menara AmFIRST	Petaling Jaya	35,610
4.	Wisma AmFIRST	Kelana Jaya	57,992
5.	The Summit Subang USJ	Subang Jaya	198,853
6.	Prima 9	Cyberjaya	24,540
7.	Prima 10	Cyberjaya	20,502
8.	Kompleks Tun Sri Lanang (also known as Jaya 99)	Melaka	47,979
9.	Mydin HyperMall	Bukit Mertajam	107,512

SUSTAINABILITY STATEMENT

continued

ABOUT THIS REPORT (CONTD.)

Reporting Framework

This Statement has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia, with reference to the Sustainability Reporting Guide (2nd edition). To align with international reporting standards, reference has been made to the Global Reporting Initiative (“GRI”) Standards 2021.

Feedback

The Statement is available on our corporate website <https://www.amfirstreit.com.my>. We welcome stakeholders’ remarks and suggestions for improvement. Please direct all comments to:

YM Raja Nazirin Shah bin Raja Mohamad
 Executive Director / Chief Executive Officer
rajanazirinshah@ambankgroup.com

OUR APPROACH TO SUSTAINABILITY

ESG issues have become an increasing priority to us and our stakeholders as we continue to recognise the impacts of our business activities on people and surrounding communities. We strive to contribute to the realisation of the sustainable development agenda.

We aim to create positive changes for our stakeholders as we continue to embed sustainable practices across our value chain. Established in FY2019, our Sustainability Policy remains the guiding principles behind our ESG aspirations.

 ENVIRONMENT	 SOCIAL	 GOVERNANCE
<p>ENVIRONMENTAL STEWARDSHIP</p> <ul style="list-style-type: none"> • Drive greater awareness in preserving and conserving the environment for future generation. • Contribute towards sustainable development and support initiatives that address environmental risks and opportunities. • Explore feasible opportunities to safeguard and minimise any adverse impacts to the environment from our operation and activities such as practices and responsible waste and effluent management. 	<p>SOCIAL RESPONSIBILITY</p> <ul style="list-style-type: none"> • Develop and foster a safe and healthy working environment for the Manager’s employees, partners, tenants, suppliers and visitors with the implementation of prudent safety measures. • Encourage growth and development of local suppliers and vendors through optimal use of local resources and materials. • Recruit, develop and retain talent by providing competitive benefit packages and ensure fair workplace practices. • Shape healthy, resilient and sustainable communities through various community initiatives. 	<p>STRONG GOVERNANCE</p> <ul style="list-style-type: none"> • Conduct business activities with high ethical integrity and in a transparent manner. • Comply with relevant national and international legislation, standards and procedures for sustainability reporting. • Encourage the adoption of sustainable principles and practices.

SUSTAINABILITY STATEMENT

continued

SUPPORT OF THE UNITED NATIONS' SUSTAINABILITY DEVELOPMENT GOALS ("UN SDGS")

We are committed to contributing towards the deliverables under seven (7) of the UN SDGs. In the current reporting period, we included **Goal 13: Climate Action**, to our adopted UN SDGs as we integrate climate-related action planning into our business practices.

We have aligned our initiatives with the overall sustainability strategies as well as the available resources, in order to contribute to the timely accomplishment of the global sustainability agenda.

SDGs

4
QUALITY
EDUCATION



Specific Target :

- 4.4 Skills for employment, decent jobs and entrepreneurship

Contribution in FY2022:

- 49.1 training hours per employee (FY2021 : 29.9 training hours per employee)

8
DECENT WORK AND
ECONOMIC GROWTH



Specific Target :

- 8.5 Full and productive employment for all

Contribution in FY2022:

- Competitive compensation and benefits package for all employees

9
INDUSTRY, INNOVATION
AND INFRASTRUCTURE



Specific Target :

- 9.4 Infrastructure with increased efficiency and clean technology

Contribution in FY2022:

- Implemented energy conservation initiatives for our air-conditioning and air-handling units

11
SUSTAINABLE CITIES
AND COMMUNITIES



Specific Target :

- 11.7 Universal access to safe and accessible green and public space

Contribution in FY2022:

- Collected 3.0 tonnes in total recycled waste through the provision of recycling bins (FY2021: 5.4 tonnes)

12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Specific Target :

- 12.2 Sustainable management and efficient use of resources

Contribution in FY2022:

- 7.4% reduction in building water intensity compared to FY2021
- Encourage the reduction in single use plastic at select properties

13
CLIMATE
ACTION



Specific Target :

- 13.1 Strengthen resilience and adaptive capacity to climate hazards

Contribution in FY2022:

- 5.1% reduction in Scope 2 GHG emissions compared to FY2021

16
PEACE, JUSTICE
AND STRONG
INSTITUTIONS



Specific Target :

- 16.5 Substantially reduce corruption and bribery in all their forms

Contribution in FY2022:

- Enhanced the reporting procedure under the Whistleblowing Protection Policy

SUSTAINABILITY STATEMENT

continued

Introducing Our 3-Year ESG Roadmap

In FY2022, we established our Roadmap that set the direction to better address the needs of our stakeholders and strategic sustainability goals for FY2023 to FY2025. Guided by the ESG pillars, the Roadmap identifies our key ESG priorities in a clear and concise manner to better integrate sustainability into our business operations.

Our ESG Roadmap FY2023 - FY2025

Sustainability Pillars	 ENVIRONMENT	 SOCIAL	 GOVERNANCE
ESG Priorities	<ul style="list-style-type: none"> Climate Change Waste Management Water Management 	<ul style="list-style-type: none"> Employee Diversity and Inclusivity Capacity Building Occupational Health and Safety Contribution to Society 	<ul style="list-style-type: none"> Regulatory Compliance Corporate Governance Ethics and Integrity Risk Management
SDG Alignment	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center; font-size: 8px;"> 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  </div> <div style="text-align: center; font-size: 8px;"> 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  </div> <div style="text-align: center; font-size: 8px;"> 13 CLIMATE ACTION  </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center; font-size: 8px;"> 4 QUALITY EDUCATION  </div> <div style="text-align: center; font-size: 8px;"> 8 DECENT WORK AND ECONOMIC GROWTH  </div> <div style="text-align: center; font-size: 8px;"> 11 SUSTAINABLE CITIES AND COMMUNITIES  </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center; font-size: 8px;"> 8 DECENT WORK AND ECONOMIC GROWTH  </div> <div style="text-align: center; font-size: 8px;"> 16 PEACE, JUSTICE AND STRONG INSTITUTIONS  </div> </div>

The ‘Environment’ pillar centres around utilising natural resources efficiently and minimising the impacts of our business operations on the environment, with an emphasis on reducing carbon emissions. The ‘Social’ pillar outlines our drive to promote wellbeing, fairness and respect for individual rights as we strengthen the relationship with our employees and surrounding communities. Our ‘Governance’ pillar looks at upholding the highest standards of ethics and principles, including strengthening corporate governance practices and risk management procedures.

For each of the three (3) ESG pillars, we have identified key priority areas which are essentially the ESG performance indicators to track our progress. Each area was also selected based on our commitment to the UN SDGs. As we implement the Roadmap, the sustainability initiatives that we will undertake in the next three (3) years will be streamlined to meet the committed goals and targets.

SUSTAINABILITY STATEMENT

continued

Key ESG Performance Indicators

Based on the Roadmap, the Key Performance Indicators (“KPIs”) serve as a measurement of our progress and performance across the ESG pillars.

	3-Year Targets	FY2022 Performance
 <p>Environmental Stewardship</p>	To reduce carbon emissions by 3% YoY from FY2018 baseline	5.1% reduction in Scope 2 GHG emissions compared to FY2021
	To divert at least 5.0 tonnes of waste generated YoY from landfill	A total of 3.0 tonnes of waste recycled and diverted from landfill
	To reduce overall water intensity by 2% YoY from FY2018 baseline	7.4% reduction in overall water intensity compared to FY2021
 <p>Social Responsibility</p>	To organise at least four (4) annual engagement activities for employees	Organised one (1) employee engagement activity
	To maintain an average 30 training hours per employee annually	Achieved 49.1 training hours per employee
	To have 100% of employees participate in OHS-related training	100% of employees participated in the ‘Safety and Health in Workplace’ program
	To pledge at least RM10,000 towards charitable cause	Donated to the educational association for school supplies to underprivileged students
 <p>Strong Governance</p>	To achieve zero recorded incidents of non-compliance YoY	Zero cases of non-compliance with relevant laws or regulations
	To provide at least two (2) hours of ethics training per employee annually	Achieved eight (8) hours of company-wide ethics training for all employees
	To conduct at least two (2) risk assessments YoY	Risk profile register was reviewed on semi-annual basis

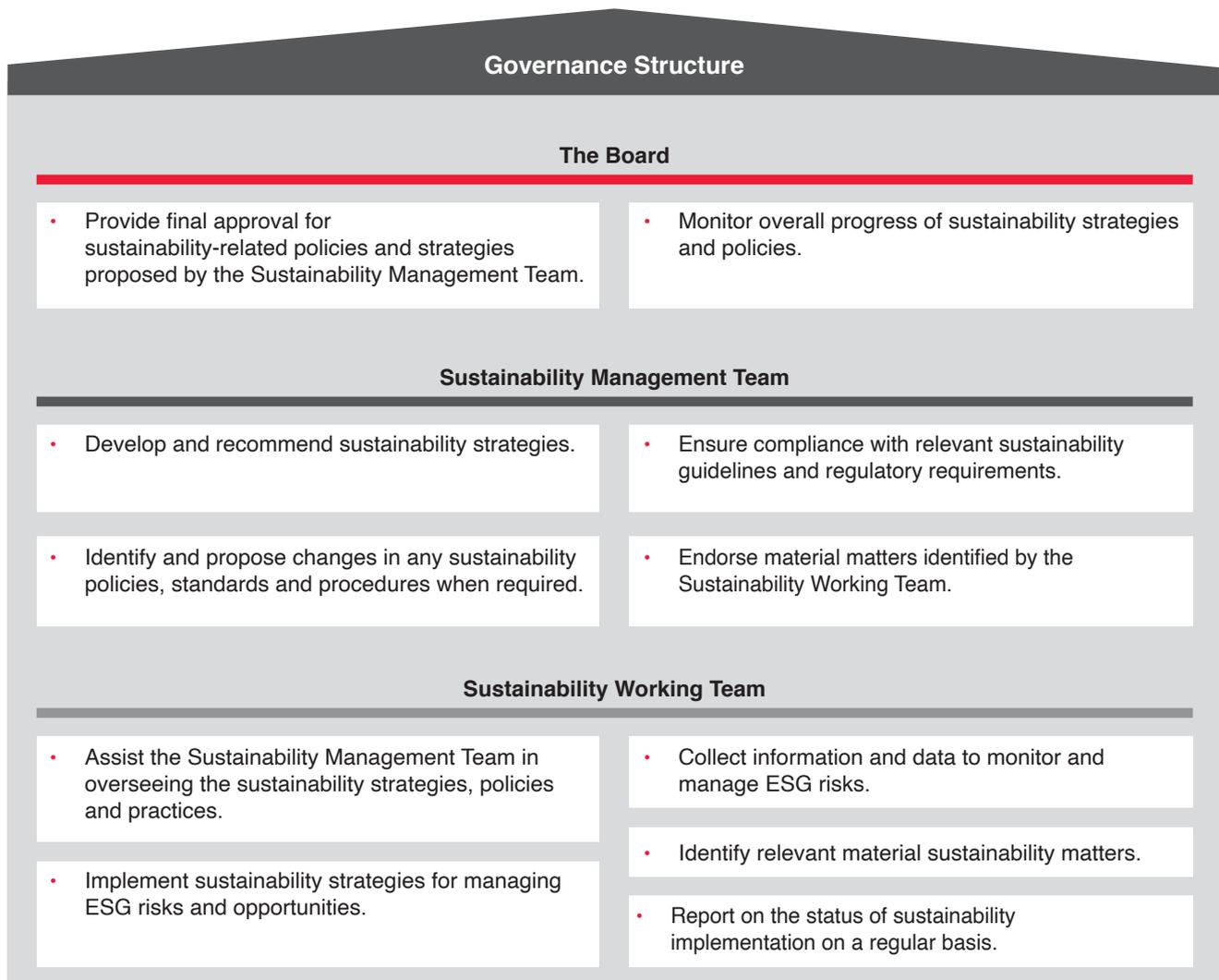
SUSTAINABILITY STATEMENT

continued

OUR SUSTAINABILITY GOVERNANCE STRUCTURE

The successful integration and effective management of sustainability requires committed leadership with a focused tone from the top in addition to strategic influence. Our sustainability governance structure enables us to implement the sustainability strategies, manage goal-setting and reporting processes, strengthen relations with external stakeholders and ensures overall accountability.

The responsibility for overall leadership and oversight of our ESG practices resides with the Board. The Board is assisted by the Sustainability Management Team which drives the implementation of strategies and policies. At the operational level, the Sustainability Working Team is in charge of managing all affairs related to our ESG practices, including data collection and monitoring of sustainability initiatives.



SUSTAINABILITY STATEMENT

continued

STAKEHOLDER ENGAGEMENT

Our valued stakeholders provide insights into how we may address key ESG issues throughout our business operations. We provide multiple avenues for dialogue with our key stakeholder groups and different approaches to identify, as well as address their areas of interest. Our stakeholders’ feedback is instrumental in improving our sustainability strategies and ESG performance to position us for long-term success.

Stakeholder	Engagement Channels	Key Concerns	How We Address Them
 <p>Unitholders or Investors</p>	<ul style="list-style-type: none"> • Annual General Meeting • Annual Report • Quarterly Results • Company Website • Investor Briefing • Enquiry Channel 	<ul style="list-style-type: none"> • Financial Performance • Income Distribution • Unit Price 	<p>We organise regular engagement sessions with investors to communicate critical issues.</p>
 <p>Tenants</p>	<ul style="list-style-type: none"> • Fire Drills • Occupational Safety and Health (“OSH”) awareness seminars • Office Notices • One-to-one meetings 	<ul style="list-style-type: none"> • Building safety • Provision of building services and amenities 	<p>We conduct surprise fire drills to help our tenants understand the basics of fire prevention. Safety and health trainings are also provided to safeguard their wellbeing.</p>
 <p>Trustee</p>	<ul style="list-style-type: none"> • Regular reporting • Annual General Meeting • One-to-one meetings 	<ul style="list-style-type: none"> • Annual total return • Sustainable growth • Fund stability 	<p>We establish robust policies and guidelines on governance and control to ensure ethical behaviour and promote responsible investments.</p>
 <p>Employees</p>	<ul style="list-style-type: none"> • Learning and development • Induction training • Satisfaction survey • Performance appraisal • Staff meetings • Company newsletter 	<ul style="list-style-type: none"> • Job benefits • Career development • Safe work environment 	<p>To attract and retain talented employees, we provide career advancement and upskilling opportunities, as well as competitive benefits.</p>

SUSTAINABILITY STATEMENT

continued

STAKEHOLDER ENGAGEMENT (CONTD.)

Stakeholder	Engagement Channels	Key Concerns	How We Address Them
 <p>Regulatory Authorities and Statutory Bodies</p>	<ul style="list-style-type: none"> • Regular reporting • One-to-one meetings • Audits • Participation in industry associations such as the Malaysian REIT Managers Association ("MRMA") 	<ul style="list-style-type: none"> • Non-compliance • Labour practices • Environmental regulations 	<p>We appointed a dedicated Compliance Officer to review our compliance with relevant regulations. We also implemented governance policies and guidelines, in line with the applicable regulatory requirements.</p>
 <p>Suppliers</p>	<ul style="list-style-type: none"> • Evaluation • Performance reviews • One-to-one meetings 	<p>Transparent procurement process</p>	<p>We conduct supplier due diligence in a fair and transparent manner prior to their appointment. The supplier's performance is also evaluated to improve supply chain efficiency.</p>
 <p>Local Communities</p>	<ul style="list-style-type: none"> • Community events • Donations 	<p>Social contributions</p>	<p>We organised Corporate Social Responsibility ("CSR") programmes and provided aid or donations to underprivileged groups, including those with special needs.</p>

SUSTAINABILITY STATEMENT

continued

MATERIALITY ASSESSMENT

We conduct a materiality assessment annually to ensure our sustainability strategies are in line with our stakeholders' priorities. The annual assessment ensures that our material sustainability matters remain relevant to evolving stakeholders' expectations and provide insights into how we can address key sustainability issues throughout our business operations.

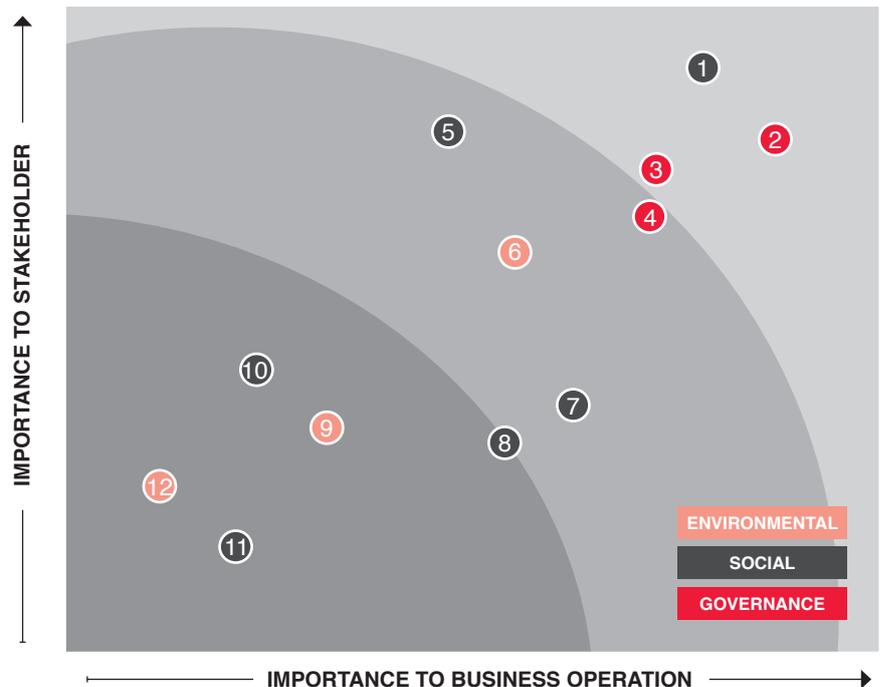
For this reporting period, we identified twelve (12) material sustainability matters through stakeholders' consultations, and aligned them with our Roadmap for the next three (3) years.

We also engaged internal and external stakeholder groups to determine the relative importance of the identified ESG focus areas. Using a weighted stakeholder ranking approach to rank each of the material matters, we compiled the results of the materiality assessment as illustrated in the materiality matrix below.

Material Sustainability Matters

- | | |
|--|--|
| <ul style="list-style-type: none"> 1 Economic Performance¹ 2 Ethics and Integrity 3 Corporate Governance 4 Risk Management and Regulatory Compliance¹ 5 Occupational Health and Safety 6 Energy Use and Climate Change¹ | <ul style="list-style-type: none"> 7 Capacity Building¹ 8 Employee Diversity and Inclusivity¹ 9 Water Management 10 Supply Chain Management 11 Contribution to Society 12 Waste Management |
|--|--|
- (1) Material matters renamed from FY2021 assessment.

Materiality Matrix



Our Materiality Assessment Process

- #### 1. Reviewing Material Matters

Key ESG issues were identified through benchmark research and stakeholder feedback.
- #### 2. Prioritising Material Matters

Online survey forms were distributed to stakeholders to rank the importance of each of the material matters.
- #### 3. Confirming Matrix Findings

The results were tabulated and presented to the Board.

Increased Priority since FY2021

- Economic Performance
- Energy Use and Climate Change
- Capacity Building
- Contribution to Society

The matters with increased importance encompass community and employee interests, as well as the climate change agenda.

Changes in Material Matters since FY2021

- Local Community Investments

We have consolidated the aforementioned matter under 'Economic Performance' as the scope of these two (2) disclosures overlap greatly.

SUSTAINABILITY STATEMENT

continued

Our Material Sustainability Matters

Based on the insights gathered from our materiality assessment and ESG Roadmap, we categorised the twelve (12) material matters under each of the three (3) core pillars underpinning our sustainability strategies.

Material Matters	Description	Stakeholders	UN SDGs
ENVIRONMENTAL STEWARDSHIP			
Energy Use and Climate Change	Efforts undertaken to address the issue of climate change and energy efficiency within our business operations.	<ul style="list-style-type: none"> Local Communities Tenants Investors 	 
Water Management	The activity of planning and managing the optimal use of water within our buildings.	<ul style="list-style-type: none"> Local Communities Tenants Investors 	
Waste Management	The responsibility of managing waste generated from our operations, such as collection, disposal and recycling.	<ul style="list-style-type: none"> Local Communities Investors Regulatory Authorities and Statutory Bodies 	
SOCIAL RESPONSIBILITY			
Occupational Health and Safety	Providing for the health, safety and wellbeing of employees in ways that address key workplace challenges.	<ul style="list-style-type: none"> Employees Tenants Regulatory Authorities and Statutory Bodies 	
Employee Diversity and Inclusivity	Engagement activities to foster good relations between employees and create a conducive work environment.	<ul style="list-style-type: none"> Employees 	
Capacity Building	Enabling employees to develop competencies and skills that can make them more efficient in the performance of their duties.	<ul style="list-style-type: none"> Employees 	 
Supply Chain Management	Managing the flow of goods and services that bring value to customers.	<ul style="list-style-type: none"> Suppliers 	
Contribution to Society	In-kind or monetary contribution and community development initiatives that bring positive, measurable change to local communities.	<ul style="list-style-type: none"> Local Communities 	
Economic Performance	The value offered to our stakeholders and the local economy as a direct result of business activities.	<ul style="list-style-type: none"> Investors Trustee 	
STRONG GOVERNANCE			
Ethics and Integrity	Conducting business operations consistently, according to moral values and relevant ethical guidelines.	<ul style="list-style-type: none"> Investors Trustee Employees 	
Corporate Governance	The management systems by which we operate to align with the interest of our stakeholders.	<ul style="list-style-type: none"> Investors Trustee Employees 	
Risk Management and Regulatory Compliance	The process by which risk and opportunities to our capital and earnings are identified and controlled.	<ul style="list-style-type: none"> Regulatory Authorities and Statutory Bodies Investors Trustee Customers 	 

SUSTAINABILITY STATEMENT

continued

ENVIRONMENTAL STEWARDSHIP

Environmental anomalies such as increased frequency of extreme weather events pose a material risk not only to our business, but also our stakeholders and communities. We have taken this into account in our ESG approach and are actively employing measures to minimise our impacts on the surrounding environment.

Our environmental quantitative data excludes Mydin HyperMall, Bukit Mertajam as it is managed by the master lessee as part of the lease terms under the sale and leaseback agreement.

Energy Use and Climate Change

We proactively optimise our electricity usage as it constitutes the main source of our GHG emissions. Apart from monitoring our overall energy usage and intensity, we also implemented various initiatives to improve the energy efficiency of our property portfolio. Minimising energy consumption at our buildings results in the lowering of our carbon emissions, thereby contributing to Malaysia's commitment to reduce the national GHG emissions by 45% by 2030.

The techniques that we apply to monitor the energy consumption from the cooling units are as below:

Chiller Units

- Loading capacity of chiller units across all buildings are regularly monitored to adjust for its optimal usage.

Air Handling Units

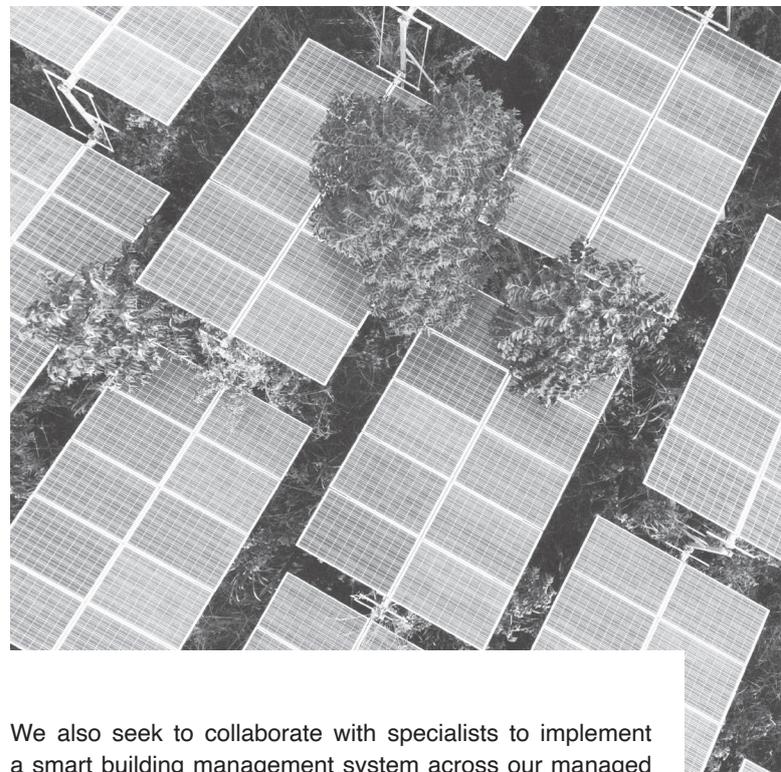
- Air handling units are fitted with variable speed drives to control the motor speed and reduce energy consumption.

Air-Conditioning Units

We applied best practices when using our air-conditioning units according to the condition of the buildings:

- The temperature of air-conditioning units are regulated to between 21 - 24°C to balance energy savings and comfort.
- Air-conditioning units are set to auto mode, where the fan speeds will vary depending on room temperature.

In support of climate action, we are currently exploring the potential installation of solar panels as part of our renewable energy initiative.



We also seek to collaborate with specialists to implement a smart building management system across our managed properties to further improve our energy efficiency in the coming years.

We have estimated our total energy consumption, energy intensity as well as our Scope 2 GHG emissions. The total energy consumption in FY2022 across our property portfolio showed a 5.1% decrease compared to FY2021. To account for the fluctuation in the occupancy rate of our buildings, we enhanced the calculation factor for our building energy intensity using the net occupied area as the denominator, as opposed to the gross floor area.

SUSTAINABILITY STATEMENT

continued

ENVIRONMENTAL STEWARDSHIP (CONTD.)

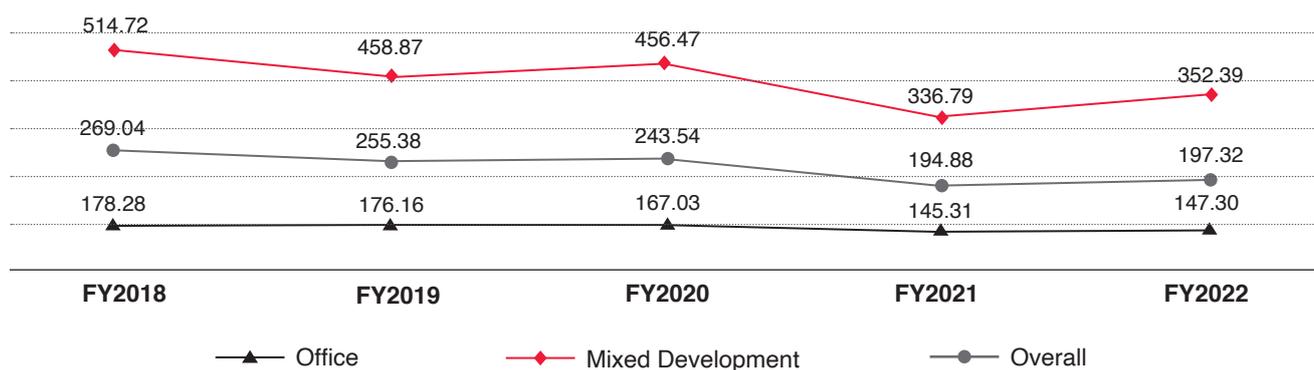
Total Energy Consumption (kWh)

	FY2018	FY2019	FY2020	FY2021	FY2022
Office ¹	23,194,724	23,078,812	22,740,999	19,094,216	18,501,908
Mixed Development ²	24,741,061	23,404,211	22,329,314	15,460,149	14,275,374
Total	47,935,785	46,483,023	45,070,313	34,554,365	32,777,282

(1) Office refers to Bangunan AmBank Group, Menara AmBank, Menara AmFIRST, Wisma AmFIRST, Prima 9, Prima 10 and Jaya 99.

(2) Mixed Development refers to The Summit Subang USJ.

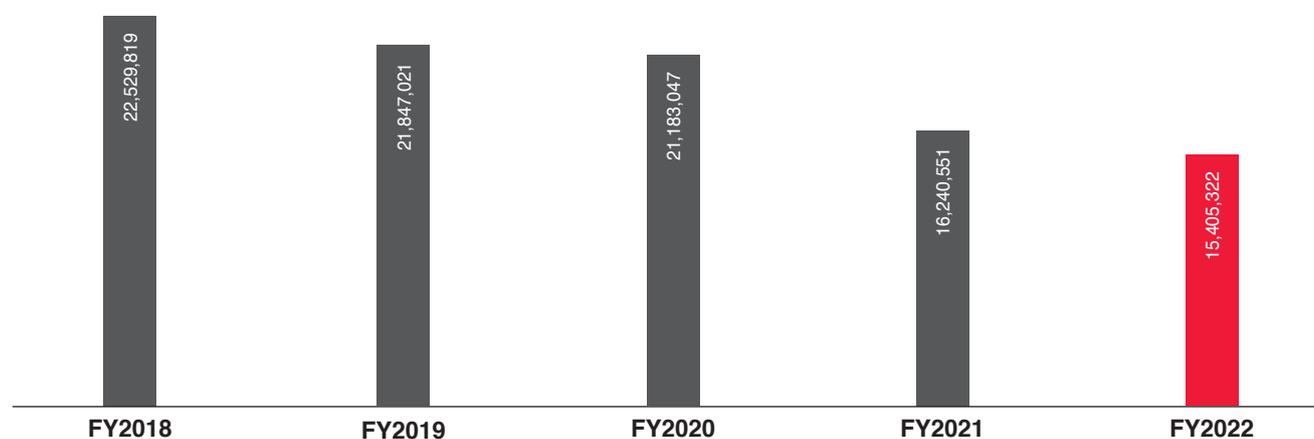
Building Energy Intensity (kWh/m²/year)



Note:

Floor area (m²) calculated is the net occupied area of our property portfolio.

Scope 2 GHG Emissions (kgCO₂)



Note:

The Scope 2 GHG Emissions (in kg CO₂) were derived based on the Harmonised Grid Emissions factor data set published by the UNFCCC in 2019.

SUSTAINABILITY STATEMENT

continued

ENVIRONMENTAL STEWARDSHIP (CONTD.)

Water Management

While our business operations in general are not water-intensive, we are cognisant of our role in ensuring proper water management in our daily operations.

Our water management plan involves daily monitoring of our building's water consumption, as well as monthly assessment of our consumption records.

The total water consumption in FY2022 showed a 13.1% decrease compared to FY2021 partly due to lower occupancy. Similar to electricity, the water intensity was calculated using the net occupied area. Our overall water intensity has seen a 7.4% reduction due to the decrease in total water consumption in our buildings.

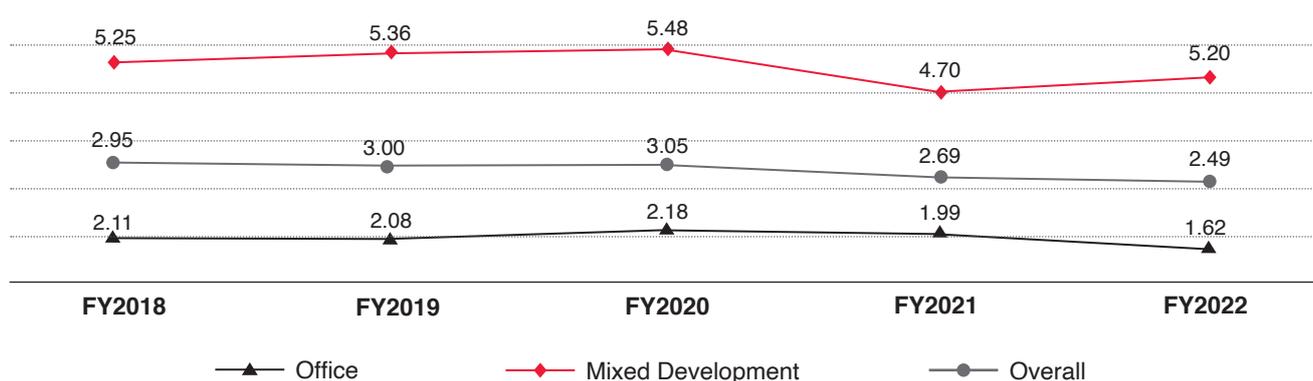
Total Water Consumption (m³)

	FY2018	FY2019	FY2020	FY2021	FY2022
Office ¹	274,165	271,872	297,000	261,070	203,312
Mixed Development ²	252,155	273,380	268,092	215,599	210,809
Total	526,320	545,252	565,092	476,669	414,121

(1) Office refers to Bangunan AmBank Group, Menara AmBank, Menara AmFIRST, Wisma AmFIRST, Prima 9, Prima 10 and Jaya 99.

(2) Mixed Development refers to The Summit Subang USJ.

Water Intensity (m³/m²/year)



Note:

Floor area (m²) calculated is the net occupied area of our property portfolio.

SUSTAINABILITY STATEMENT

continued

ENVIRONMENTAL STEWARDSHIP (CONTD.)

Waste Management

Handling waste in a responsible manner is imperative for managing the environmental footprint of our business operations.

Building upon our efforts to encourage recycling amongst office tenants, we have expanded the provision of recycling bins at Jaya 99. In collaboration with AmBank Group, we strive to reduce single plastic use in three (3) of our office buildings: Bangunan AmBank Group, Menara AmBank and Wisma AmFIRST. Employees are discouraged from using a plastic bag for their packed lunch through reminder notices and provision of reusable tupperware.

As we are reassessing and improving our data collection system, we are currently unable to disclose the total amount of waste generated from our buildings for this reporting year. Moving forward, we will ensure the waste generation quantities are accurately reported. However, we ensured that the relevant waste-related regulations were strictly adhered to as we work to reduce and recycle waste whenever possible. Office cleaners are incentivised to segregate and record all recycled waste collected before it is sent to the vendor for further processing.

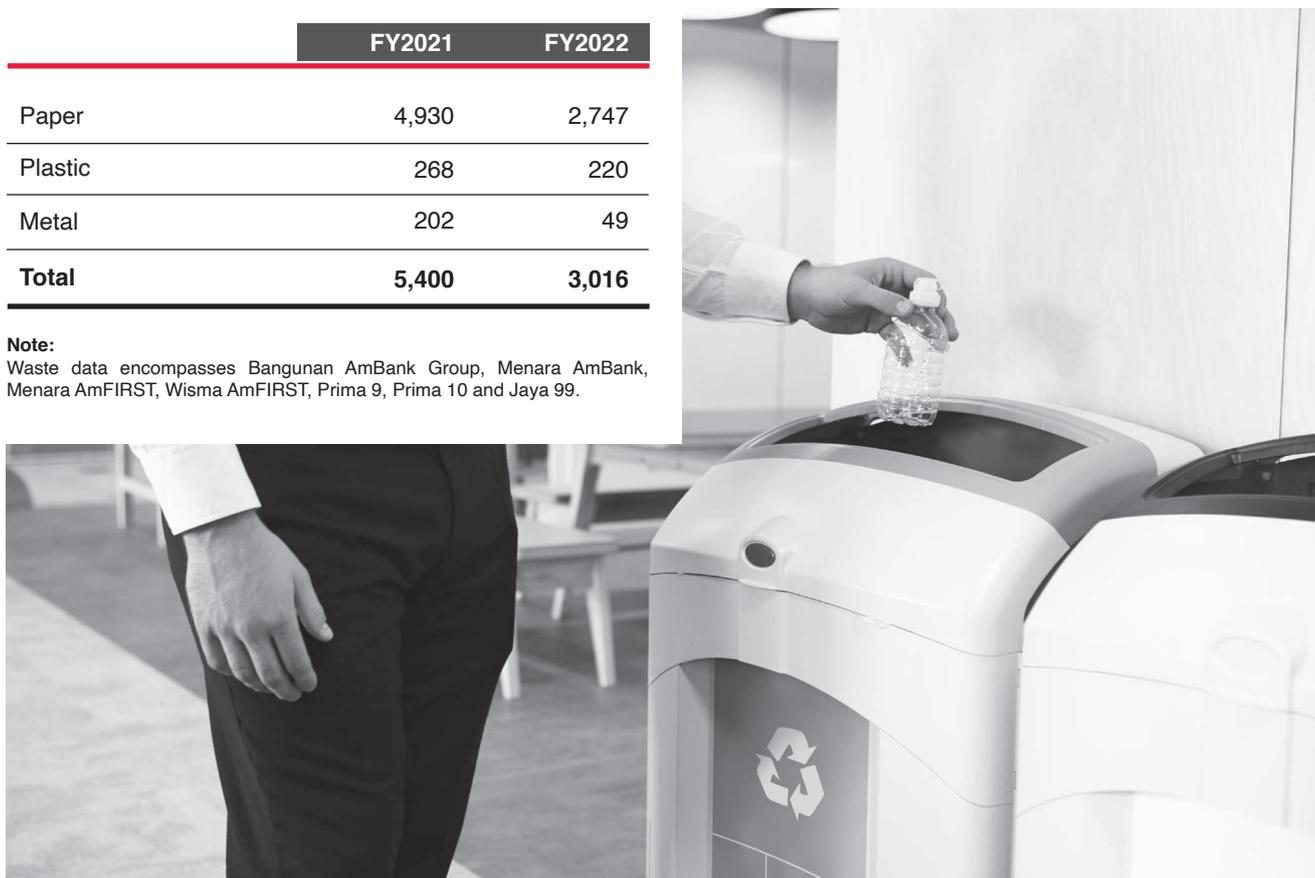
As a result of our recycling efforts, the total waste we recycled in FY2022 amounted to 3,016 kg.

Total Waste Recycled (kg)

	FY2021	FY2022
Paper	4,930	2,747
Plastic	268	220
Metal	202	49
Total	5,400	3,016

Note:

Waste data encompasses Bangunan AmBank Group, Menara AmBank, Menara AmFIRST, Wisma AmFIRST, Prima 9, Prima 10 and Jaya 99.



SUSTAINABILITY STATEMENT

continued

SOCIAL RESPONSIBILITY

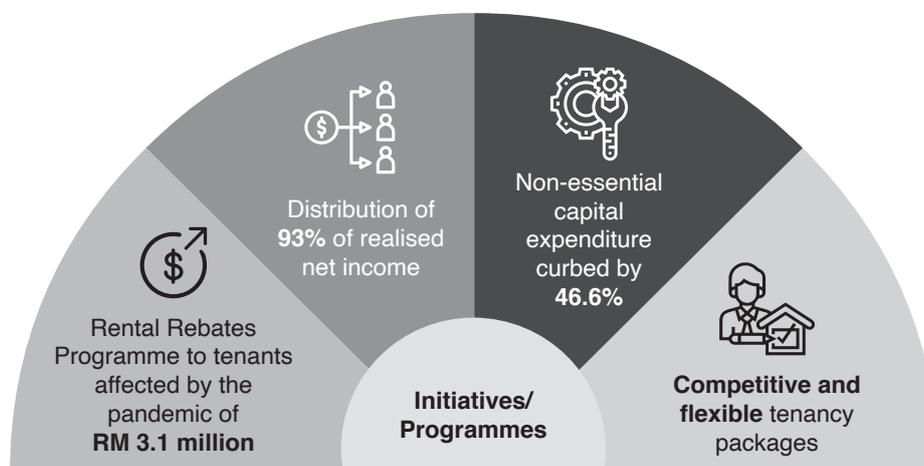
People are the driving force behind our business and are the primary motivation for our pursuit of sustainable economic growth. Retaining the trust and confidence of our tenants, suppliers and employees is non-negotiable. More importantly, we acknowledge that our social responsibility extends to the communities surrounding our business operations as they are instrumental in maintaining our social license to operate.

Economic Performance

Delivering a strong economic performance remains high on our agenda. Amidst the challenging business landscape exacerbated by the effects of the COVID-19 pandemic, we continued to create value for our Unitholders and investors as illustrated below.

	AmFIRST REIT	The Manager
Total revenue	RM99.6 million	RM6.8 million
Employee remuneration (Wages, Benefits etc.)	Not applicable, as all employees are under the Manager	RM4.0 million
Income distributions/dividends to providers of capital	RM20.7 million	RM1.4 million
Government tax	Distributed 93% of total income, hence, the current year realised net income is exempted from tax	RM0.4 million
Local community investments	-	RM2,000 (tax exempt)
Retained profits	RM1.5 million	Minimum RM500,000

Steady economic growth enables us to attract more investments, create job opportunities and give back to the local communities. The following were the initiatives/programmes continued to be put in place to mitigate the effect of the pandemic:



SUSTAINABILITY STATEMENT

continued

SOCIAL RESPONSIBILITY (CONTD.)

Supply Chain Management

We engage or appoint vendors based on their expertise in trades and services. Prior to engagement, vendors are required to register and to submit relevant quotations. Selected vendors are issued the Purchase Order (“PO”) or Letter of Appointment (“LOA”) to signify that their services have been contracted.

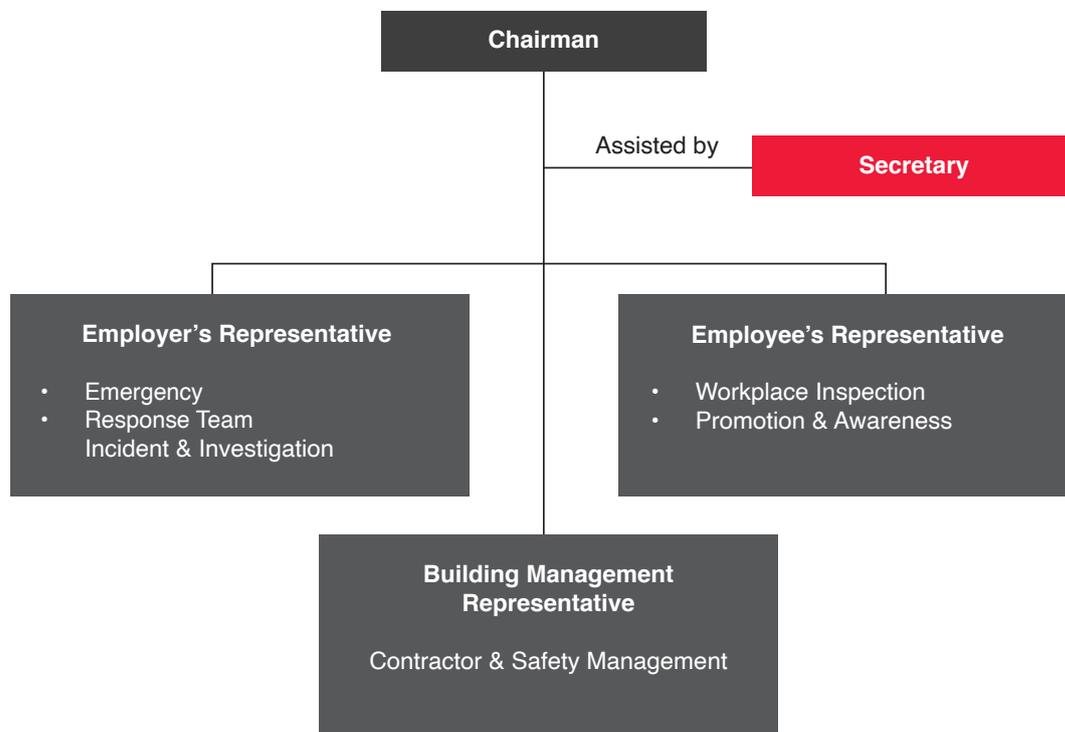
Property Managers are tasked to evaluate the contracted service vendors on a monthly basis. For appointment of vendors tasked for critical services, we encourage applicants to undergo technical and commercial assessments to minimise the risk of incompetency.

For FY2022, 100% of the vendors that we engaged were local.

Occupational Health and Safety (“OSH”)

We are focused on creating and maintaining a safe and healthy working environment for all employees. Guided by AmBank Group’s Safety and Health Policy, our policy commitment includes a provision for continuous improvement. To ensure its effectiveness, the policy is reviewed periodically and posted in the common areas of our buildings as well as the Manager’s internal office for both internal and external stakeholders.

We continue to execute the established procedures under the Hazard Identification, Risk Assessment, Determining Control (“HIRADC”) process for identifying safety hazards and implementing control and mitigation measures. The OSH committee is responsible for ensuring the smooth implementation of the safety policy and procedures. Composed of a Chairman, a secretary as well as representatives from the employer, employees and building management, the committee follows an established OSH management system and works in close collaboration with the Group OSH to maintain workplace safety.



SUSTAINABILITY STATEMENT

continued

SOCIAL RESPONSIBILITY (CONTD.)

Occupational Health and Safety (“OSH”) (Contd.)

Safety training programmes and refresher courses are provided on an annual basis. Some of the programmes that were organised during the reporting period include:

- Safety and Health in the Workplace;
- Implementation of Workplace Health Promotion Post COVID-19; and
- Hearing Conservation Programme (“HCP”).

	Safety and Health in Workplace	Workplace Health Promotion Post COVID-19	HCP
Employee participation	21	6	1
Total training hours	84	46	16

As we are equally responsible for the safety of tenants and occupants at Wisma AmFIRST, we invested a total of RM300,000 for the installation of fire shutters and fire walls at the ground floor of Towers 1 and 2, including upgrades to the electrical distribution system along with the fire fighting and security system.

Due to stringent enforcement of our health and safety policies and monitoring of our operations, we recorded zero workplace injuries across 283,112 hours of work for FY2022.

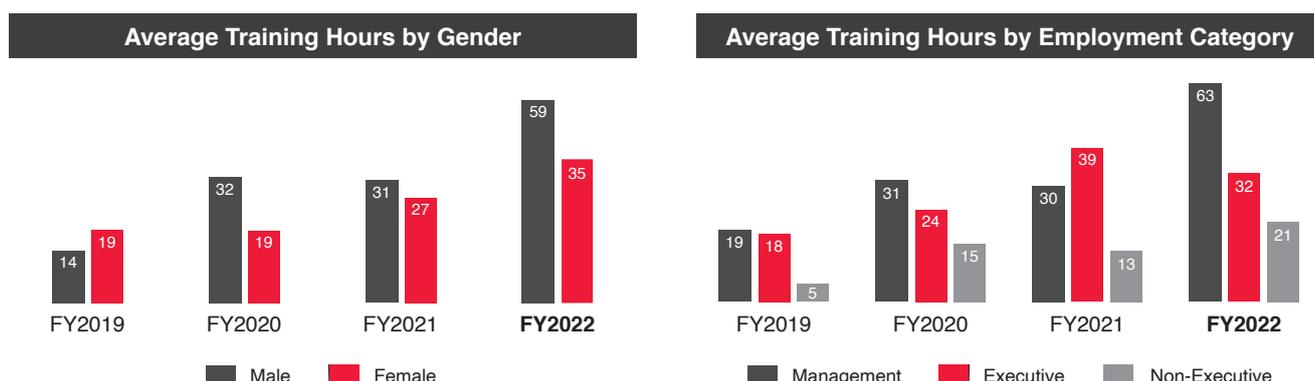
Capacity Building

Developing workforce capabilities is of high importance as the Manager recognises that upgrading the skills of its people is critical for continued business success. The Manager provides our employees with the relevant learning and development intervention based on training needs identified during the bi-annual performance and career development review with all employees.

The Manager subscribes to the principle that employees should be responsible for their professional growth; hence, the Manager accords them a wide latitude to participate in training programmes of their choice. To ensure that their competencies remain aligned with evolving business needs, the employees are also provided with opportunities to expand their knowledge and skillset beyond their current job scope, through on-the-job exposure with other departments.

Throughout the various MCO period, the employees were enabled to continue acquiring new skills and knowledge by means of digital learning assets and virtual sessions. The Manager engaged with AmBank Group and third-party trainers to organise a variety of technical and non-technical courses for the employees.

We are pleased to announce that the implementation of capacity building programmes was very satisfactory for FY2022 with 54 training courses (FY2021: 39 training courses) deployed, accounting for 1,081 training hours (FY2021: 628 training hours). Each employee received an average of 49.1 training hours (FY2021: 29.9), a 64.4% increase from FY2021. The breakdown in training hours is illustrated below:



SUSTAINABILITY STATEMENT

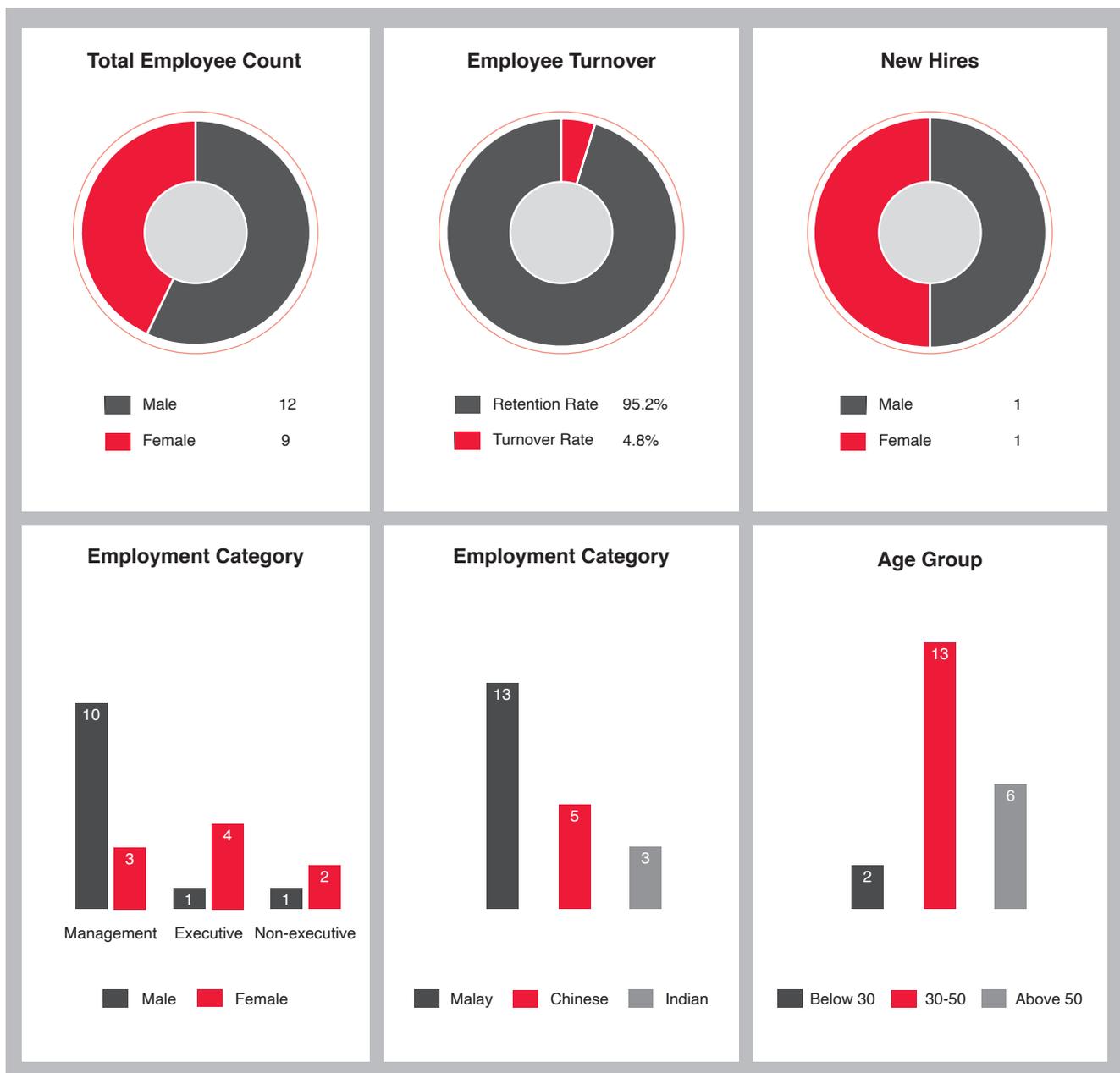
continued

SOCIAL RESPONSIBILITY (CONTD.)

Employee Diversity and Inclusivity

Workforce diversity ensures that we have a variety of knowledge, skills and expertise that can be capitalised to achieve our business objectives.

100% of employees are domestic, including the Management Team.



SUSTAINABILITY STATEMENT

continued

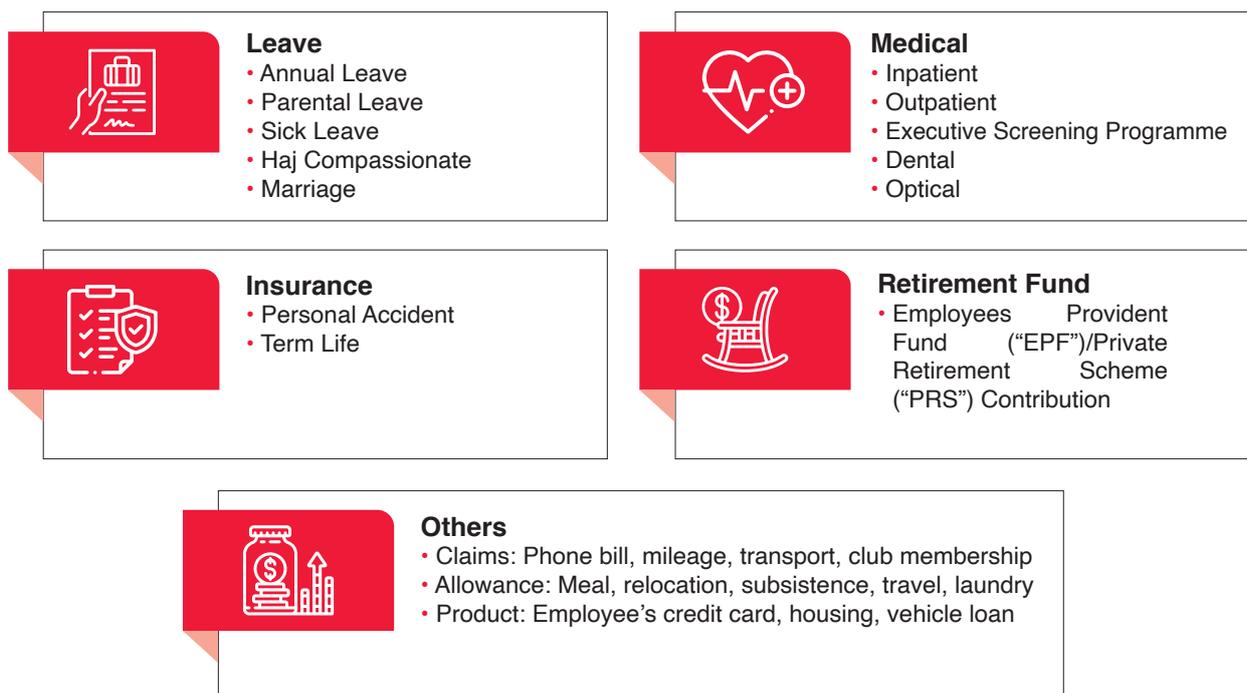
SOCIAL RESPONSIBILITY (CONTD.)

Employee Diversity and Inclusivity (Contd.)

We recognise that an engaged workforce operating within an inclusive workplace is more productive than their disengaged counterparts. Part of our approach to employee engagement is to provide an avenue for work-life balance, leading to better work performance and employee retention. In compliance with Section 60A of the Employment Act 1955, we adopted a policy wherein employees shall not work for more than five (5) consecutive hours without pausing for a break period of not less than thirty (30) minutes.

Supervisors are responsible for ensuring that employees conduct overtime work only when required, and to monitor overtime hours. Employees do not perform overtime work in excess of the maximum hours permitted under the law. Corrective actions, such as reviewing the workload and assessing work efficiencies and distribution must be undertaken when an employee is consistently working overtime on business-as-usual (“BAU”) tasks.

The Manager provides a competitive compensation and benefits package. It is not only a vital element in attracting and retaining talent but also to acknowledge and appreciate our employees.



Contribution to Society

Contributing to the development of the communities surrounding our business operations is important for us. However, most of our CSR programmes have stalled due to restrictions imposed to contain the spread of COVID-19. Nevertheless, in FY2022 we made a donation to the Educational Associations for school supplies to underprivileged students. We intend to reactivate our Corporate Social Responsibility (“CSR”) activities in the coming financial year. Additionally, plans are underway to provide apprenticeship or graduate placement opportunities to local youth in order to contribute to the economic advancement of our local community.

SUSTAINABILITY STATEMENT

continued

STRONG GOVERNANCE

Transparency and good governance are two (2) essential elements in building trust and confidence with our stakeholders. To uphold the highest standards of business ethics in our day-to-day operations, the Manager’s employees are guided by the Core Values of Respect, Excellence, Integrity and Teamwork.

Corporate Governance

As part of our commitment towards excellence in corporate governance, we implement stringent internal control measures and procedures to safeguard the interest of our stakeholders. We recognise that robust corporate governance is indispensable in directing the Manager’s employees in the performance of their duties.

The Board holds ultimate responsibility for the long-term success and the establishment of appropriate organisational culture and conduct. Assisted by an independent Compliance and Risk Department, the Board establishes guidelines and policies that protect our business against unlawful acts.

We embraced a top-down approach that allows good governance practices and decisions to be cascaded. Our governance framework is aligned with the requirements of the Malaysian Code on Corporate Governance 2021, with clearly defined authority and accountability. To evaluate the framework’s effectiveness, we engaged external auditors to conduct an independent annual review of our internal control mechanisms.

A detailed disclosure of our corporate governance overview and practices can be viewed in the Statement of Corporate Governance on pages 87 to 101 of this Annual Report.

Ethics and Integrity

The Manager is guided by AmBank Group’s ethical standards which comprise a comprehensive set of policies that facilitate responsible, inclusive and conscientious business practices. AmBank Group Board of Directors, with support from the relevant Management Committee, holds the ultimate responsibility for compliance oversight and annual review of all corporate policies, procedures and controls.

Code of Conduct – Code of Ethics (“Code”)

The Manager’s Code of Conduct affirms our dedication towards professionalism and business integrity. The Code provides a specific guideline on how employees should conduct themselves in the workplace or when interacting with stakeholders. It also outlines our Code of Ethics, including the values and six (6) key principles that we adhere to:

<p>Compliant Comply with all relevant laws and regulations</p> 	<p>Responsible Manage conflict of interest with honesty and integrity</p> 	<p>Ethical Practice honesty and integrity in everything we do</p> 
<p>Accurate Ensure completeness and accuracy for financial records</p> 	<p>Trustworthy Protect the confidentiality and sensitivity of information</p> 	<p>Equitable Treat each other and our community with respect</p> 

SUSTAINABILITY STATEMENT

continued

STRONG GOVERNANCE (CONTD.)

Ethics and Integrity (Contd.)

Anti-Bribery and Corrupt Practices (“ABCP”) Policy

We adopt a strictly zero-tolerance approach against all forms of bribery or corruption in our conduct. We refer to AmBank Group’s ABCP Policy which defines what is expected of all employees in regard to inappropriate monetary transactions. Any gifts or rewards received must be recorded in the Gift Registry for audit by the Compliance Unit.

We conducted an internal corruption risk assessment in FY2022, with the scope that encompassed major transactions, compliance staff, key control tests and the whistleblowing channel. No significant risk of corruption was identified during the reporting period and the current procedures in place were deemed effective in preventing and identifying any incidents of material corruption.

We also perform the necessary due diligence pertaining to new business partners based on established policies and procedures. Prior to any business transactions, the Know Your Customer (“KYC”) verification process is conducted to safeguard us against potential fraud or money laundering activities.

Whistle-blower Protection Policy

We continue to advocate accountability and transparency through our whistleblowing avenues. All stakeholders are encouraged to lodge a Report of Concern regarding any observed potential improper conduct or malpractice without fear of reprisal. The Policy provides protection and anonymity to any whistle-blowers who acts in good faith in filing the relevant complaint and in cooperating during the investigation.

FY2022 saw improvements made for employee access to our internal Management Ombudsperson through the establishment of a dedicated email address AmREITManagement-Ombudsperson@ambankgroup.com. Employees whose concerns have not been appropriately addressed elsewhere may direct their complaints to the Board Ombudsperson or relevant regulatory authorities.

Policy Training and Communication

For the purpose of accessibility, all policies that are applicable to ethical business practices are published on our corporate website under the corporate governance section, https://www.amfirstreit.com.my/corporate_governance.php. We ensure that all employees are aware of any policy updates or changes by:

- Organising briefings as and when necessary and also during onboarding of new hires;
- Issuing email reminders should the policies undergo amendments or updates; and
- Company-wide training on AmBank Group’s Code of Conduct and Anti-Money Laundering/Know Your Customer (“AML/KYC”) measures.

	AmBank Group Code of Conduct	AML/KYC
Employee participation	21	21
Total training hours	84	84

SUSTAINABILITY STATEMENT

continued

STRONG GOVERNANCE (CONTD.)

Risk Management and Regulatory Compliance

A robust risk management process is important to strike the right balance between identifying potential opportunities and protecting business and stakeholders' interest. We capitalise on our risk management framework to manage risk exposure, in alignment with and guided by AmBank Group's Operational Risk Policy. The framework prioritises specific areas with significant impact on governance mechanisms and relevant stakeholder groups.

All risks identified in our operations are recorded in the risk profile register including those related to ESG. Our register is updated regularly and duly presented to the Board on a semi-annual basis to obtain their feedback. Specific high-risk components are also highlighted for the Board's attention through the half-yearly reporting.

As businesses become more reliant on digital platforms during COVID-19, the importance of cybersecurity awareness and trend is critical to prevent any form of cyber-attacks. In FY2022, we deployed a total of 52 hours of training on cybersecurity threats.

	AmBank Cyber Security Awareness	User Access Review Training
Employee participation	6	7
Total training hours	24	28

Regulatory Compliance

We are committed to operating in accordance with all applicable laws and regulations enforced by government authorities. Our approach towards identifying and preventing non-compliance is rooted in our key control testing and quarterly compliance checks performed by the Manager's Compliance and Risk department.

In this reporting period, there were zero cases of material non-compliance with laws or regulations, a record we strive to maintain. For further information on the risk management process, please refer our Statement on Risk Management on pages 102 to 106 of this Annual Report

CONCLUSION

Looking ahead, we strive to build on this momentum to achieve our ambitions in the coming years, including collaboration with third party specialists to explore innovative ways to enhance energy efficiency in our operations.

As we continue to embed sustainability into our business operations, we remain resilient and prepared for any challenges, as well as improve on our future ESG performance while providing long-term value to all stakeholders.

SUSTAINABILITY STATEMENT

continued

GRI CONTENT INDEX

GRI Indicator	Content of Disclosure	Section Reference	Page Number
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Governance

The Manager recognises the importance of strong and effective corporate governance culture to promote and safeguard the best interests of the Trust's Unitholders and other stakeholders, thereby enhancing the credibility and reputation of the Trust.

STATEMENT OF CORPORATE GOVERNANCE

OVERVIEW STATEMENT

The corporate governance adopted by the Manager provides a framework of control mechanisms to support the Trust in achieving its goals. This is also critical to the performance of the Manager and consequently, the success of the Trust. The Manager has adopted a strong corporate governance framework that is designed to meet the best practice principles. In particular, the Board and the Management of the Manager have the obligation to act honestly, with due care and diligence, and in the best interests of Unitholders and other stakeholders by emphasising on the transparency of decision-making process, fairness and trustworthiness in managing the Trust. 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 Trust is a real estate investment trust which was established under a Trust Deed with a mandatory requirement to appoint a trustee. Maybank Trustees Berhad was appointed as the Trustee for AmFIRST REIT and the appointment was approved by the SC as prescribed under sections 288(1)(a) and 289(1) of the Capital Markets and Services Act 2007 (“CMSA”). The Trustee is required to act honestly and discharge its roles and responsibilities in accordance with the Deed, SC’s Listed REITs Guidelines, trust laws and securities laws. It has to exercise a degree of due care and diligence and has to act in the best interests of Unitholders. The primary roles and functions of the Trustee are outlined in the Deed.

The following sections describe the Manager’s main corporate governance practices and policies which are guided by measures recommended in The Malaysian Code on Corporate Governance 2021 (the “Code”).

Chapter 15.25(3) of the Main Market Listing Requirement (“MMLR”) requires the Board to provide only an overview of the application of the Principles set out in the Code. In addition, real estate investment trusts in particular are provided with specific exemptions as stipulated in clause 8.36 of Chapter 8 in MMLR. However, in the spirit of good corporate governance, the Manager has applied and outlined the practices under the Principles (wherever possible) during the financial year under review. The Code requires the REIT to provide a summary of its corporate governance practices during the financial year with reference to the three (3) broad principles as follows:

Principle A	Board Leadership and Effectiveness
Principle B	Effective Audit and Risk Management
Principle C	Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The key focus areas on corporate governance and its priorities are as follows:

BOARD AND KEY MANAGEMENT LEADERSHIP

The Manager’s shareholders critically assess on an ongoing basis its Board’s leadership and its key management staff, especially its Chief Executive Officer who plays an important role in executing strategies that had been approved by the Board.

The Board and the key management staffs face an uphill task to improve the REIT’s performance especially during the challenging market conditions coupled with increased leasing space within Klang Valley. It is only through continuous focus by the Board and key management staffs on the key challenges, that action plans were formulated and executed to achieve the REIT’s intended goals.

The key management staffs work closely with the licensed property managers on a day-to-day basis in ensuring effective property management. It will be the Board’s priority to ensure leadership in both the Board and key management staffs are always intact to ensure the REIT delivers sustainable performance.

STATEMENT OF CORPORATE GOVERNANCE

continued

CODE OF ETHICS, CODE OF CONDUCT, WHISTLEBLOWER PROTECTION POLICY AND NO GIFT POLICY

The Code of Ethics as well as the Code of Conduct (“Codes”) have always been central in the Manager’s day-to-day activities. Being part of the AmBank Group, it has been continuously emphasised to all staffs that they are to comply with the internal policy. The Codes provide the framework for sound decision-making and guide for good business conducts. The Code of Ethics outlines six (6) key principles, which every Director and employee must adhere to. These are being Compliant, Responsible, Ethical, Accurate, Trustworthy and Equitable.

In addition, the Whistleblower Protection Policy as well as the No Gift Policy were established and employed by the Manager to further enhance the culture of good ethics and business conduct. The Manager’s staffs are also required to complete online trainings organised by AmBank Group as and when launched and attend refresher courses conducted by the Compliance Department.

The Whistleblower Protection Policy provides an independent reporting channel for all staffs and stakeholders. External parties can always have access via email or call the Compliance Officer for lodgment of complaints or clarification when required. Whistleblowers are protected and the channels are independent of the operational departments. The Compliance Department and the Company Secretary play an important role in receiving complaints and channeling the same to specified ombudsperson.

GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Policies are approved by the Board and cascaded down to the entire organisation to ensure all departments are aware of what is expected of them. Standard operating procedures are formulated based on these approved policies. Staffs are guided by these policies and procedures in discharging their daily duties. The Board is assisted by the Audit Committee in ensuring the adequacy and effectiveness of the risk management and internal control framework.

The Risk Management Committee, a Management level committee headed by the Chief Executive Officer and supported by the Heads of Departments reviews the entity wide risk. The Committee is responsible for 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. The Risk Management framework further extends to functional roles and responsibilities established for the management of risk.

In parallel, Business Operational Controls Officer (“BOC”) performs relevant key controls testing to ensure adherence to policies and procedures adopted. In addition, the Compliance Department’s role is also to assess that key areas such as regulatory compliance and internal policies are complied with accordingly.

Finally, the Internal Audit function is undertaken by the Group Internal Audit Department (“GIAD”) which is independent of the Manager and REIT’s business and operations, and reports directly to the Audit Committee. The GIAD performs independent assessment of the adequacy and effectiveness of the Manager’s risk management, internal control and governance processes and systems. Results of GIAD’s reviews and issues of concerns are reported directly to the Audit Committee. The CEO and Heads of Departments are responsible to ensure the audit findings are resolved within the agreed timelines, and the status of resolution of key audit findings are also monitored by the Audit Committee.

STATEMENT OF CORPORATE GOVERNANCE

continued

APPLICATION OF SPECIFIC PRACTICES FOR EACH PRINCIPLE

Although it is not mandatory, the Manager detailed out the specific applications of the practices for each principle as indicated by the Code as follows:

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Intended Outcome

1.0 Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

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 the Trust, including establishing goals for management, monitoring the achievement of these goals and review of Management's performance.

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.

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

- strategic business plans
- key financial performance indicators
- principal risks and their management
- succession planning for Senior Management
- Investors and Unitholders relations programs
- system of internal control and policies

The Board is adequately resourced and supported by an Audit Committee of Directors to look into, amongst others the risk management, internal control and financial management of the Trust.

Practice 1.2

The Chairman of the Board, Mr Soo Kim Wai, a Non-Independent Non-Executive Director, leads the Board objectively and ensures its effectiveness. The Chairman encourages active participation and all parties are free to express their opinions in the Board meetings or informal discussions with the Management Team.

Practice 1.3

The roles and responsibilities of the Chairman and Chief Executive Officer are separated, and the positions are held by two (2) different individuals. Mr Soo Kim Wai is a Non-Independent Non-Executive Director / Chairman while YM Raja Nazirin Shah Bin Raja Mohamad is the Executive Director / Chief Executive Officer. This is to ensure appropriate segregation of duties, authority and increased accountability.

The segregation ensures a clear distinction between the Chairman's responsibilities to lead and manage the Board and the Chief Executive Officer's responsibilities to manage the Trust and the Manager.

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

The Chief Executive Officer has full executive responsibilities in consultation with the Executive Committee ("EXCO") over the business directions and operational decisions of the Trust. He leads the Management Team and provides direction on the day-to-day operations and works with the Board to determine the overall business, investment and operational strategies for the Trust and ensures that these are implemented as planned and in accordance with the Deed and the SC's Listed REITs Guidelines.

STATEMENT OF CORPORATE GOVERNANCE

continued

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD.)

Practice 1.4

The practice recommends that the Chairman should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

The Manager does not have a Nomination or Remuneration Committee, however the Chairman is a member of the Group Nomination and Remuneration Committee (GNRC) established at the Group level. He is also a member of the Audit Committee by virtue of being as the most suitable and appropriate candidate that satisfies the MMLR's Chapter 15, Clause 15.09(1)(c). As the MCCG Guidance 1.4 outlines that having the same person assuming the positions of Chairman of the Board and being a member of the Audit Committee may impair the objectivity of the Chairman, the Manager of the Board manages the objectivity by ensuring the Chairman of the Board would abstain from deliberation and decision making at the relevant meetings if there is any potential conflict of interest.

Practice 1.5

The Board is supported by qualified and competent licensed Company Secretaries. The roles and responsibilities of the Company Secretaries includes guiding and advising the Directors on areas of corporate governance, relevant legislations, regulations and policies besides ensuring compliance with the MMLR and other regulatory requirements.

The Company Secretaries attend the Board and the Board Committee's meetings and are responsible for the accuracy and adequacy of records of the proceedings of the Board and the Board Committee's meetings and resolutions.

Practice 1.6

The Company Secretaries, namely Ms. Chan Sau Leng and Ms. Ruzeti Emar binti Mohd Rosli from Boardroom Corporate Services Sdn. Bhd. work with the Chairman and Management to ensure that the Board papers and agenda are provided to the Directors ahead of meetings of the Board and Board Committee so that they have time to review matters to be discussed prior to the meetings. The Board papers are circulated at least five (5) business days in advance. Meetings are usually a half-a-day event and include presentations by the Management, and where necessary, presentations by external consultants and experts on strategic issues relating to specific business areas.

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

Directors	Designation	Number of Board Meetings	% of Attendance
Soo Kim Wai	Chairman / Non-Independent Non-Executive Director	4	100
Dato' Abdullah Thalith bin Md Thani	Independent Non-Executive Director	4	100
Dato' Wong Nam Loong	Independent Non-Executive Director	4	100
Azlan Baqee bin Abdullah	Non-Independent Non-Executive Director	4	100
Christopher Yap Huey Wen	Non-Independent Non-Executive Director	4	100
YM Raja Nazirin Shah bin Raja Mohamad	Executive Director / Chief Executive Officer	4	100
Tan Sri Mazlan Bin Mansor (Ceased as member on 28 February 2022)	Independent Non-Executive Director	4	100

Note: All attendances reflected were the number of meetings attended during the Directors' tenure of service for FY2022.

STATEMENT OF CORPORATE GOVERNANCE

continued

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD.)

Intended Outcome

2.0 There is demarcation of responsibilities between the Board, Board Committee and Management. There is clarity in the authority of the Board, its committees and individual Directors.

Practice 2.1

Currently, the Manager has an Audit Committee of Directors, established to provide assistance, review and report to the Board in relation to fulfilling the statutory responsibilities of the Manager, monitoring of the accounting and financial reporting practices, as well as ensuring adequate and effective internal control systems of the Manager are in place, amongst other roles and primary responsibilities. The Audit Committee comprises of three (3) members of the Board and the committee meets on a quarterly basis together with other key management staff.

In addition, the Board has established an EXCO which was formed to support the Board to assess, deliberate and approve operational decisions expeditiously. The EXCO comprises of four (4) members who are representatives of the Manager's shareholders. The EXCO meeting is held on a monthly basis and is attended by Chief Executive Officer, Heads of Departments and key support staff.

Both the Audit Committee and the EXCO minutes are tabled quarterly to the Board. The minutes comprise key deliberations, recommendations to the Board and decisions made.

Intended Outcome

3.0 The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board, Management, employees and other stakeholders are clear on what is considered acceptable behavior and practice in the company.

Practice 3.1

The Board employs the Code of Ethics and Code of Conduct ("Codes") which were enforced by the AmBank Group ("Group"). The Codes provide the framework for the decision-making and guide business conduct. The Group's Code of Ethics sets out six (6) key principles, namely:

- **Compliant** - Comply with all relevant laws and regulations
- **Responsible** - Manage conflict of interest with honesty and integrity
- **Ethical** - Practice honesty and integrity in everything we do
- **Accurate** - Ensure completeness and accuracy of financial records
- **Trustworthy** - Protect the confidentiality and sensitivity of information
- **Equitable** - Treat each other and our community with respect

The code includes reporting of unlawful or unethical behavior through established procedures including Whistleblower Protection Policy that are in place. Staffs are reminded periodically of the six (6) key principles through an online training executed group wide. The Manager's staff are required to complete the refresher course periodically to ensure staff understands what is required of them and are able to apply it when they are discharging their duties. In addition, the Compliance Officer too conducts briefing on the subject matter to further emphasise its importance.

The Manager has adopted the No Gift Policy enforced by the Group. This is to ensure no conflict of interest arises or preference is given to suppliers during transactions involving procurement process such as award of contracts or negotiations.

Pursuant to the incorporation of Section 17A, Corporate Liability (for corruption) under the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009"), which was effective from 1 June 2020, the Manager has adequate procedures and in compliance with the prescribed Guidelines on Adequate Procedures ("GAP"). The GAP was issued pursuant to Section 17A(5) of MACC Act 2009 and was derived based on the 5 principles as follows:

- Top level commitment
- Risk assessment
- Undertake control measures
- Systematic review, monitoring and enforcement
- Training and communication

STATEMENT OF CORPORATE GOVERNANCE

continued

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD.)

Practice 3.2

The Whistleblower Protection Policy and procedure were adopted by the Board and are currently in place. The purpose is to report the following improper conduct, but not limited to:

- dishonest, fraudulent, corruption, bribery or illegal practices;
- manipulation of accounts;
- unethical behaviour;
- abuse of power;
- violation of laws and constitution; or
- conflict of interest.

The policy embeds the requirement for the protection of the whistleblower which is fundamental for the entire process. Key principles include:

- Whistleblower will be protected for reporting any actual or suspected improper conduct upon demonstrating sufficient basis for whistleblowing.
- The confidential information relating to whistleblowing will also be safeguarded.
- Whistleblower including his / her spouse and related persons who are employees of the Manager, will be protected from detrimental action.
- It is imperative that whistleblower should provide sufficient and accurate information on best effort basis.

Intended Outcome

4.0 The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

On 11 February 2019, the Board with the recommendation from the Management approved and issued its initial Sustainability Policy Version 1.0 ("Policy") and subsequently reviewed and updated the policy on 24 November 2021. The well approved and documented Policy is meant to create the Manager's commitment in managing Environment, Social and Governance ("ESG") elements in addressing sustainability risks and opportunities in a systematic manner.

Guided by the Manager's core values, AmFIRST REIT's approach towards sustainability emphasises are on the following pillars: Compliant, Responsible, Ethical, Accurate, Trustworthy and Equitable (C.R.E.A.T.E). These values are inculcated in our working culture to always be compliant, responsible, accurate, equitable and ethical in managing our ESG (Environment, Social, Governance) risks to gain trust amongst our stakeholders towards building a sustainable business.

The Senior Management appointed a consulting firm, namely AGV Environment Sdn. Bhd. that has vast experience and are familiar with the ESG requirements to guide the Manager in implementing the ESG initiatives. There is a proper Sustainability Governance Structure which was implemented as required under the Policy to ensure these are followed through accordingly.

In summary, the Manager has established a 3-Tiered Governance Structure which comprises of:

- (a) Board of Directors
- (b) Sustainability Management Team ("SMT") with reporting responsibilities to the Board of Directors; and
- (c) Sustainability Working Team ("SWT") with reporting responsibilities to SMT.

Practice 4.2

Under the said Policy, the Management has a set of responsibilities to assist the Board to ensure those strategies, priorities and targets are communicated to relevant parties. Annually, a detailed disclosure on the qualitative and quantitative sustainability performance related to ESG risks and opportunities are to be made in the Sustainability Statement which is included in this Annual Report on pages 61 to 86.

STATEMENT OF CORPORATE GOVERNANCE

continued

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD.)

Practice 4.3

On annual basis the Board are kept abreast with sustainability issues relevant to its business by its Management and its consultant. The Board members too on their own accord keep themselves abreast of ESG issues and where applicable will address it in their Board, Audit Committee as well as in EXCO meetings so that the ESG initiatives are practiced accordingly.

Practice 4.4

Currently the Manager's performance management system incorporates the governance aspect for each staff as a key performance indicator ("KPI"). The Manager would look into incorporating the other components namely Environment and Social KPIs in FY 2023 with the rollout of Sustainability Program for FY2023 onwards. Likewise the AmBank Group is reviewing to incorporate the same for its groupwide Directors.

Practice 4.5 [Step Up]

As the Board understood the importance of the ESG program, the Board approved and the Manager established a designated Sustainability Management Team as outlined in the said Policy. The efforts are further coordinated with the assistance of Finance staff.

Intended Outcome

5.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Manager relies on the established terms of reference and policies of the Group in terms of the governance in ensuring an effective Board comprising right balance of mix of skills, experienced and competent directors, composition of independent and non-independent directors and the maximum tenure of nine (9) years of an independent director. The Board took cognisance of the Group's policies and practices in upholding good corporate governance. None of the Independent Directors had reached the nine-year period and all the Non-Executive Directors are subject to the yearly re-election by rotation at the annual general meeting of the Manager.

Practice 5.2

The Manager's Board retains its Board composition with at least one-third (1/3) of independent Directors and is of the view that the decisions that the Board makes are objective and in the best interest of all stakeholders.

The Board has six (6) members comprising five (5) Non-Executive Directors and one (1) Executive Director. Two (2) of the Board members are Independent Directors (representing 1/3 of the Board) in compliance with the MMLR and SC's Listed REITs Guidelines while the Chairman of the Board is a Non-Independent Non-Executive Director.

As at the date of this Report, none of the Directors held Directorships in more than five (5) listed issuers. The relationships among the Board members are disclosed on page 113 of this Annual Report. In addition to this, information on direct and indirect unitholdings related to the Manager and transactions with the companies related to the Manager are disclosed in Note 14 and Note 26 respectively, in the notes to the financial statements.

The Board comprises business leaders and experienced professionals with backgrounds in fund management, property, banking, legal and finance. The profiles of the Directors are set out on pages 28 to 30 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.

STATEMENT OF CORPORATE GOVERNANCE

continued

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD.)

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



Practice 5.3

The Code states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. This is in line with the Group’s existing policy which states that an Independent Non-Executive Director shall serve up to a maximum of nine (9) years (the “9-Year Rule”).

The Independent Director may continue as a Non-Independent Director subsequently subject to the recommendation of the Group Nomination and Remuneration Committee (“GNRC”) of Directors and the approval of the Board. The two-tier voting process for the purposes of retaining an independent Director beyond 9 years as recommended by MCCG is not applicable for the Manager as the Manager is a limited company with two major corporate shareholders.

Practice 5.4 [A Step Up]

The Manager has adopted the policy which limits the tenure of its independent Directors to nine years. The policy has been complied diligently, and this was demonstrated in prior years, where independent Directors had stepped down after nine (9) years of service. As of this Annual Report date, the current two independent Directors of the Manager have both served for approximately 5 years and 9 months.

Practice 5.5

It is imperative that the Board and Senior Management are appointed based on objective criteria, merit and taking into account diversity in skills, experience, age, cultural background and gender. The Manager adopts the Group’s appointment procedures for both Directors and for its staff. The Manager utilises the resources made available by Group Human Resource. The Board places significance on the merit as well as the role which objective criteria were derived.

Newly appointed Directors and Senior Management are given briefings by the Management on the business activities of the Trust, its strategic directions and policies and the regulatory environment in which the Trust 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 the Trust’s units and restrictions on the disclosure of price-sensitive information.

Subsequent to a Director’s appointment, the Director will be required to complete the Mandatory Accreditation Programme as required by Bursa Malaysia, and the Capital Market Director Programme (“CMDP”) as required by SC within the timeline as stipulated in MMLR and SC’s Licensing Handbook respectively. CMDP is an exclusive platform for Directors of licensed intermediaries to be equipped with the relevant knowledge, skills and abilities to meet the expected competencies required of a board. It is also designed to allow Directors to explore and deliberate on pertinent issues affecting the industry from the perspectives of multi stakeholders.

STATEMENT OF CORPORATE GOVERNANCE

continued

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD.)

Practice 5.6

The Manager's Group has various approaches and sources to identify candidates for the appointment of Directors. Apart from the common method of obtaining recommendation from Board members and major shareholders, the Group uses independent recruitment firms as well as the direct approach of identifying individuals that have relevant experience and undertaken similar Board roles and are well known in the market.

Practice 5.7

The appointment and reappointment of the Directors are the responsibility of the Manager's shareholders and not the Unitholders. Practice 5.5 and 5.6 sets out the due process involved to ensure they are able to discharge their duties once they are onboarded as Directors of the Manager.

Practice 5.8

GNRC performs the function that a nominating committee would otherwise perform, namely it administers nominations to the Board, reviews the structure, size and composition of the Board, and reviews 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, legal, finance and management skills critical to Trust's business.

Practice 5.9

The Board takes cognisance of having more women Directors on the Board. The Code's requirement as well as the MMLR is for the Board to comprise 30% of women Directors. Although the REIT is exempted by virtue of Chapter 8, Clause 8.36 of MMLR, the shareholders of the Manager as well as the Board do consider women candidates who meet the role and merit. As of the annual report date, the Manager's Board does not have any woman Director.

Practice 5.10

The Manager being a subsidiary of AmBank Group, adopts the Group Nomination & Remuneration ("GNRC") Terms of Reference which forms the policy in addressing the gender diversity for the Board and Senior Management, where applicable. The Terms of Reference is published in the AmBank Group's website www.ambankgroup.com.

The Manager discloses its gender diversity in the employee distribution section in its Sustainability Statement on page 80. The Manager provides equal opportunities and evaluate employee based on merit.

Intended Outcome

6.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Directors.

Practice 6.1

The Manager took note of practice 6.1 on the recommended practice to conduct a formal and objective annual evaluation to determine the effectiveness of the Board, its Committees and each individual Director even though this practice note is not applicable to REIT entities.

STATEMENT OF CORPORATE GOVERNANCE

continued

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD.)

Intended Outcome

7.0 The level and composition of remuneration of Directors and Senior Management take into account the company's desire to attract and retain the right talent in the Board and Senior Management to drive the company's long-term objectives. Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The Manager acknowledges the need to ensure a fair and equitable remuneration mechanism for the Directors and Senior Management, which commensurates with the demands and performance of the Manager, and also the individual's responsibilities. The Manager utilises the AmBank Group's Human Resource remuneration policies and procedures which were implemented Group wide. The remuneration scheme that the Manager adopted from its Group reflects and considers level of position, years of experience, competency, different roles, complexity of functions, market conditions and other criteria that may be considered on a case to case basis. There is systematic performance management system with key performance indicators agreed upfront for annual appraisals for staffs. Staffs are required to undergo semi-annual performance review with respective Heads of Departments. This is to ensure that staffs are made known on their progress and appropriate corrective actions can be taken. The entire process is overseen by Group Human Resource.

The policy and procedures are periodically reviewed by the AmBank's Group Human Resources and reflected accordingly in the AmBank's internal portal for all the staff's reference.

Practice 7.2

The GNRC at Group level looks into the aspect on remuneration of the Directors and Key Management Personnel (where applicable and if required).

Intended Outcome

8.0 Stakeholders are able to assess whether the remuneration of Directors and Senior Management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

The Directors' remuneration is paid by the Manager and not the Trust. For Non-Executive Directors, they receive Directors' fees and meeting allowances for their attendance at meetings of the Board and the Board Committee. The determination of the Non-Executive Directors' remuneration is a matter for the Board as a whole and is subject to the approval of the Manager's shareholders. The Directors are not involved in the approval of their own remuneration.

Practice 8.2

The Board opined that the top Senior Management's remuneration will not be disclosed due to sensitivity and competitive external human resource environment in the industry. This is necessary and in the best interest of the Manager as well as the Trust, in order to retain its experienced staff and ensure smooth continuity of the business operations.

Furthermore, the Code, referring to Guidance 8.2 suggests that the disclosure of how Director's remuneration is measured, allows stakeholders to understand the link between Senior Management remuneration and the company's performance. On the contrary, due to the unique REIT structure whereby the Manager is separate from the Trust, there is no direct link between the remuneration of Management Team and the Trust's performance. The remunerations were disbursed from the management fees earned by the Manager, which were predetermined at the inception of the Trust via the Trust Deed.

STATEMENT OF CORPORATE GOVERNANCE

continued

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD.)

Intended Outcome

9.0 There is an effective and independent Audit Committee. The Board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee, Dato' Wong Nam Loong is not the Chairman of the Board. Dato' Wong Nam Loong was appointed on 15 August 2016 as an Independent Non-Executive Director and has led the Audit Committee since then.

The Chairman of the Audit Committee ensures that the Committee's primary roles and responsibilities are discharged in accordance with its Terms of Reference, which is set out in the Audit Committee's Report on pages 107 to 108 of this Annual Report.

Practice 9.2

The Board takes cognisance of matters pertaining to independence and conflict of interest. It is imperative that the functions of Board Committee are not impaired when they are discharging their duties. In this respect, the Board will require a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee, if there is any. This will also apply to any other similar appointments if the Board deems there is a potential conflict or an issue on independence.

Practice 9.3

It is the Audit Committee's responsibility to review the appointment of the external auditors and resignation of external auditors, negotiate and approve the annual audit fees. This is clearly outlined in the Audit Committee's Terms of Reference.

During the annual audit plan presentation by the external auditor, the Audit Committee had assessed the suitability, objectivity and independence of the external auditor. The external auditor had confirmed their independence during the meeting with the Audit Committee prior to the commencement of their annual audit.

Practice 9.4 [Step Up]

While the requirement of the Code states that the Audit Committee should solely comprise of Independent Directors, the Board is of the view that the Audit Committee is able to discharge its duties effectively with its two-thirds (2/3) composition of Independent Directors. The inclusion of a Non-Independent Director who represents one-third (1/3) of the Committee is deemed necessary to facilitate and support the Independent Directors in areas of his expertise.

Practice 9.5

The Audit Committee possesses the necessary range of skills to effectively discharge its duties. All members have good understanding of the operations and its financial reporting process. Mr Soo Kim Wai, who is an Audit Committee member possesses extensive experience in the accounting field and is a member of several professional accounting bodies namely the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants and Association of Chartered Certified Accountants.

Apart from financial knowledge, the Board has ensured that the Independent Directors should also comprise of members who have experience in the relevant property related industry. Collectively, the current Audit Committee members have extensive experience and knowledge in accounting, finance, legal and real estate field.

During the financial year under review, the Directors, including the Audit Committee members 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 FY2022 were, on areas relating to real estates, corporate leadership, professional development, information technology, regulatory and compliance, sustainability on ESG, finance as well as business in the new normal. These trainings were arranged by the Group Learning and Development Department of the ultimate holding company of the Manager and regulators as well as professional establishments.

STATEMENT OF CORPORATE GOVERNANCE

continued

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Intended Outcome

10.0 Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives. The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The Board has established an effective risk management and internal control framework. It plays a vital function in the Manager's management of its risks and transactions. The Board through its Audit Committee is responsible for the risk management of the Trust which includes but is 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.

Practice 10.2

The features of the risk management and internal control framework are disclosed in detail in the Statement on Risk Management and Internal Control on pages 102 to 106 of this Annual Report.

The internal control is mainly driven by policies and procedures which are designed to provide reasonable assurance to the Board that the Trust will achieve its objectives. There is an established internal audit function which is undertaken by GIAD. The Manager also has a designated Compliance Officer to ensure compliance with regulations, internal policies and procedures.

Practice 10.3 [Step Up]

A Risk Management Committee which is a management level committee was established to assist the Audit Committee in assessing the adequacy of internal control and risk management. The Risk Management Committee comprises of the Chief Executive Officer and Heads of Departments of the Manager. There is requirement to report the risks affecting the Trust on half yearly basis to the Audit Committee and the Board.

Intended Outcome

11.0 Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The internal audit function is performed by GIAD which operates under a charter which gives it unrestricted access to review all activities of the Manager. The Group Chief Internal Auditor of GIAD reports independently to the Audit Committee.

GIAD's activities conform with the Institute of Internal Auditors (IIA)'s International Standards for the Professional Practice of Internal Auditing as well as standards and requirements set out by the relevant Regulators on the internal audit function.

GIAD has internal procedures in place to ensure that the audit personnel are free from any relationships or conflicts of interest and their objectivity and independence are not impaired when conducting audits on the Manager.

The current structure allows GIAD to perform its function effectively and independently.

Practice 11.2

GIAD is headed by the Group Chief Internal Auditor ("GCIA") Encik Shamsul Bahrom bin Mohamed Ibrahim, who has over 23 years of comprehensive internal auditing and management experience in the financial services industry.

En. Shamsul holds a BSc (Hons) Finance & Accounting from University of Salford, Manchester as well as Masters in Business Administration from University of Strathclyde, Scotland. En. Shamsul is also a Chartered Banker, a Certified Bank Auditor, and a Qualified Risk Auditor. In 2021, En. Shamsul completed the Cybersecurity Fundamentals Certification and has also been conferred with the Certified Professional in Financial Crime Compliance title. More recently, En. Shamsul completed the certification programme administered by the Association of Certified Fraud Examiners and attained the Certified Fraud Examiner title. En. Shamsul is a member of the Institute of Internal Auditors Malaysia (IIAM), the Asian Institute of Chartered Bankers (AICB) and the Institute of Enterprise Risk Practitioners (IERP). He is also the current Chairman of AICB's Chief Internal Auditors Networking Group (CIANG).

STATEMENT OF CORPORATE GOVERNANCE

continued

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTD.)

GIAD focuses its efforts in accordance with the Annual Audit Plan which is developed based on a structured risk-based assessment of all the activities undertaken by the Manager that ensures all risk-rated areas are kept in view to ensure appropriate audit coverage. The risk-based audit plan is reviewed periodically, taking into account the changes in the business and risk environment.

The Annual Audit Plan, including the internal audit resources required to execute the plan is approved by the Audit Committee.

The main objective of the audit review is to assess the adequacy and effectiveness of the Manager's governance, risk management and systems of internal control.

Apart from the above, GIAD also performs ad-hoc reviews and investigations involving fraud, misconduct, when requested by Regulators, the Board or Management.

The results of the audit reviews, including Management's action plans to address issues highlighted by internal auditors are tabled to the Audit Committee for deliberation. GIAD conducts follow-up and reports to the Audit Committee regarding the status of implementation of the Management action plans, until full resolution.

The Audit Committee is of the view that GIAD is adequately resourced to perform its functions and has maintained its independence from the activities that it audits.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Intended Outcome

12.0 There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The Board emphasises the need to communicate with stakeholders regularly, effectively and in a transparent manner.

Apart from media write ups, the Manager posts key information on the Trust's official website www.amfirstreit.com.my for stakeholder awareness.

The stakeholders are able to query or reach Senior Management both via email and telephone. The contact details are listed on the said website.

Intended Outcome

13.0 Unitholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at General Meetings.

Practice 13.1

The Board through its Management and Company Secretary strictly complies with the Annual General Meeting ("AGM") notice issuance to the Unitholders. The Manager gives more than 28 days' notice prior to the meeting. The number of days of notice period provided since past three (3) years were as follow:

STATEMENT OF CORPORATE GOVERNANCE

continued

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONTD.)

	9 th AGM	8 th AGM	7 th AGM
Financial Year	2021	2020	2019
Date of Notice of AGM	31 May 2021	30 June 2020	31 May 2019
Date of AGM	7 July 2021	10 August 2020	22 July 2019
Notice period in no. of days (including Saturday, Sunday and Public Holiday but excluding date of Notice of AGM and Date of AGM)	36	40	51

Practice 13.2

All Directors are required to attend the AGM to address any questions raised by the Unitholders. All the questions raised with responses provided during the AGM are minuted by the Company Secretary and shall be posted on the Trust's corporate website for Unitholders reference.

Practice 13.3

AmFIRST REIT's 9th AGM on 7 July 2021 was held fully virtual via Remote Participation and Electronic Voting ("RPEV"), to facilitate greater Unitholders participation. The meeting platform was <https://web.lumiagm.com/> which was broadcasted from Symphony Square Auditorium located at Petaling Jaya, Selangor.

The Manager through its outsourced Company Secretary utilizes Lumi's technology which is the dominant player globally in the provision of software and real-time audience engagement technology to facilitate annual general meetings for companies. Lumi's technology runs on a secure dedicated network and encrypted cloud-based servers.

Practice 13.4

The Chairman of the Board together with the Chief Executive Officer interacts and provides detailed presentation of the company's financial and non-financial performance which includes the company's long-term strategies. The Unitholders are given sufficient opportunity to pose questions during the general meeting and all the questions are addressed accordingly. The detailed presentation as well as the questions and answers are in the official website of AMFIRST REIT.

Practice 13.5

The meeting which was broadcasted from Symphony Square Auditorium located at Petaling Jaya, Selangor via <https://web.lumiagm.com/>, had all the necessary infrastructure and tools to support the broadcast of the general meeting and the Lumi technology had the capability to allow participation by Unitholders. Prior to the AGM, the Manager has issued the necessary Administrative Guide together with the Notice of Meeting to all Unitholders so that they are aware of the required procedures in participating the AGM. This to ensure participation by Unitholders is seamless.

In addition, to ensure the fully virtual AGM is conducted in an independent and transparent manner, Boardroom Share Registrars Sdn. Bhd. was appointed as the Poll Administrator to conduct the polling process whereas Commercial Quest Sdn. Bhd. was appointed as an Independent Scrutineer to verify the poll results.

Questions submitted online via meeting platform were moderated before being sent to the Chairman to avoid repetition. The Minority Shareholders Watch Group ("MSWG") recommended that the independent moderators should be present to moderate the Questions and Answers ("Q&A") session in a fair, objective and impartial manner to ensure that all relevant questions are answered. In this regard, the Manager appointed KPMG Management & Risk Consulting Sdn. Bhd. as the Independent Moderator to moderate the questions posted by Unitholders to the Board during the allocated Q&A session.

Practice 13.6

The Minutes of the general meeting is made available to all Unitholders within 30 days after the AGM in the corporate website of AmFIRST REIT for their information.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Manager's Board of Directors (the "Board") is pleased to present the Statement on Risk Management and Internal Control in compliance with Chapter 15, Paragraph 15.26 of the Main Market Listing Requirements of Bursa Malaysia and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

RISK MANAGEMENT

The Board has established and implemented a sound risk management framework 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 establishing risk-based strategies and making decisions across the respective functions which consist of the following components and are incorporated within the Trust's and the Manager's Risk Profile:

- Business model, objectives, and strategies.
- Assessment of the internal and external environment.
- Identification of events that may affect the business objectives and strategies.
- Assessment of inherent risks within the business.
- Establishment of appropriate risk responses.
- Ensuring control activities operate effectively.
- Ensuring accurate and sufficient information and communication.
- Monitoring the effectiveness of the framework and reporting to the Board.

The Risk Profile is reviewed by the Manager's Audit Committee of Directors (the "AC") on a half-yearly basis or as and when required. In this respect, the AC assists the Board in oversight of risk management.

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

A Risk Management Committee at the Manager's level was established to assist the AC in assessing the adequacy of internal control and risk management. The Risk Management Committee comprises of the Chief Executive Officer and Heads of Departments of the Manager. The Risk Management Committee performs the following roles:

- Review the adequacy and effectiveness of the risk management processes and system;
- Review and present to the AC and Board, the broad terms of risk guidelines and risk appetite of the Trust on a periodic basis;
- Review identified key risks and the mitigating controls of the Trust's operations;
- Guide staff in identifying, evaluating, and managing key risks; and
- Report to the AC and Board on material and pervasive findings which exceeded the risk appetite and make appropriate recommendations.

The Risk Management Framework encompasses, amongst others, the functional roles and responsibilities established for the management of risk, covering the First Line of Defense ("FLOD"), Second Line of Defense ("SLOD") and Third Line of Defense ("TLOD"). The FLOD comprises of the Business Operational Controls Officer ("BOC") and coordinators appointed for each functional department of the Manager.

The objectives of the establishment of FLOD are:

- To establish personnel who are competent and appreciative of risk management principles within the business;
- To enhance accountability within the business in executing risk management controls within their span of authority; and
- To promote proactive risk management culture in the business.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

continued

RISK MANAGEMENT (CONTD.)

The SLOD is the enterprise wide operational risk management which was established at AmBank Group level that entails establishment of an independent operational risk management function which includes implementation and review of its operational risk measurement and methodology. It also encompasses the Compliance function which has been established in the organisation.

The GIAD of AmBank Group forms the TLOD which independently evaluates and assesses the adequacy and effectiveness of the risk management process as designed by conducting regular reviews on the Manager's activities and processes.

Business Continuity Plan

The Manager has an established Business Continuity Plan ("BCP") to ensure disruption to the business activities are mitigated in the event of an unfavourable incident. The BCP is in place for staffs' reference and regularly tested to ensure its effectiveness.

INTERNAL CONTROL

The Board has established an internal audit function which is undertaken by the GIAD. The Board recognises the need for a sound and effective internal control system as one of the key priorities for an effective corporate governance culture.

The Board is also 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 to the Management and other affected stakeholders in a timely manner upon approval by the Board.

The system provides reasonable but not absolute assurance against material misstatement of management and financial information, financial losses, fraud, and the occurrence of unforeseeable circumstances. As part of the effective and ongoing internal control and governance processes, the Manager reviews the adequacy and effectiveness of its internal control systems to ensure it remains 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 Manager takes cognizance of recommendations made for the Trust by the external auditors, Messrs. Ernst & Young PLT ("EY"), and GIAD in respect of the accounting and operational controls in their audit reports issued during the financial year. Recommendations by the said parties are implemented accordingly where required to enhance internal controls.

Internal Audit Function

GIAD operates under a charter from the AC 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 GIAD reports directly to the AC.

GIAD performs the audit reviews in accordance with an audit plan, which is established 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 AC reviews and approves the annual audit plan of GIAD.

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, GIAD also undertakes special reviews or investigations as directed by the AC. Audit findings, recommendations and the Manager's action plans are highlighted in audit reports which are tabled to the AC. GIAD conducts follow-up and reports to the AC on the status of implementation of management action plans arising from the internal audit reports.

The AC reviews the internal audit reports and activities on an ongoing basis. The AC 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

continued

INTERNAL CONTROL (CONTD.)

External Auditors

The Board maintains a transparent relationship throughout their association with the external auditors. The appointment of external auditors, who were nominated by the Manager, is approved by the Trustee. The external auditors appointed must be independent of the Manager and the Trustee. The remuneration of the external auditors is approved by the Trustee based on the Manager's recommendation.

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 the Trust as a whole. Any significant deficiencies and material weaknesses identified during the audit are communicated to the AC. As part of continuous refinement of the Trust's internal control system, the AC reviews the effectiveness of measures taken by the Manager in response to those significant deficiencies and material weaknesses identified, if there is any.

The Trustee had appointed EY as the external auditors to conduct the statutory audit for the FY2022. EY had provided a written confirmation to the AC 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 who works towards ensuring the compliance with all regulations and guidelines issued by SC, Bursa Malaysia, Trust Deed as well as internal policies and procedures which are applicable to the Trust and the Manager.

The Compliance Officer plays an active role in advising the key management staff on regulatory matters as well as internal policies and procedures in their day to day activities. In addition, the incumbent employs Group's resources and collaborates closely with the Group Compliance and Group Operational Risk Department in respect of compliance and risk matters. It is an advantage that the Manager was able to utilise the Group's expertise and resources on compliance and risk methodology for the benefit of the REIT.

Dealings with Related Parties

In general, the Manager has to ensure that related party transactions are undertaken in compliance with the SC's Listed REITs Guidelines, the Deed, and the Listing Requirements. Such transactions are to be carried out at an arm's length basis based on normal commercial terms and shall not be prejudicial to the interest of the Trust and its Unitholders.

In respect of such transactions, the Management would have to demonstrate to the AC 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 AC prior to Board's notation.

All related party transactions carried out by or on behalf of the Trust should be:

- (i) at arm's length basis and on normal commercial terms;
- (ii) in the best interests of the Trust's Unitholders;
- (iii) adequately disclosed to the Trust's Unitholders in accordance with MMLR; and
- (iv) in relation to a real estate transaction:
 - (a) consented by the Trustee;
 - (b) consistent with the investment objective and strategy of the Trust;
 - (c) transacted at a price that is supported by valuation report;
 - (d) is transacted at a price assessed as follows:
 - (i) for acquisitions: not more than one hundred and ten percent (110%) the value assessed in the valuation report; and
 - (ii) for disposal: not less than ninety percent (90%) of the value assessed in the valuation report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

continued

INTERNAL CONTROL (CONTD.)

Dealings with Related Parties (Contd.)

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

Role of the Audit Committee for Related Party Transactions

The AC together with the Management reviews the related party transactions to ensure compliance with the internal control procedures, relevant provisions of the Deed, SC's Listed 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 AC. If a member of the AC has an interest in a transaction, he is to disclose and abstain from participating in the review and the recommendation process in relation to the transaction. The related party transactions for the FY2022 are as disclosed in Note 26 of the notes to the financial statements within this Annual Report.

Dealings with Conflict of Interest

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

The Directors of the Manager are under a fiduciary duty to the Trust to act in its best interests in relation to decisions affecting the Trust 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 if the related parties have interest in the outcome of a transaction which is different from the interest of other Unitholders.

Save for Directors' interests in the Trust (as disclosed on page 113 of the Manager's Report) and the transactions with companies related to the Manager (as disclosed in Note 26 of the notes to the financial statements within this Annual Report), no conflict of interest has arisen during the financial year under review.

TRADING IN THE TRUST'S UNITS

The Manager adopts best practices and issues policies to its Directors and employees which prohibit dealings in the Trust's units while in possession of material unpublished price-sensitive information. Under the MMLR, the Directors and employees of the Manager are prohibited from dealing in the Trust's units during the period commencing on and from one (1) month prior to the targeted date of announcement of the Trust's quarterly results to Bursa Malaysia, up to one (1) full market day after the announcement of the Trust's quarterly results. The Manager regularly notifies its Directors and employees on the maximum closed period of two months which takes effect immediately on the date after the end of each financial reporting quarter. If any of such affected persons deal in the Trust'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 and appropriate disclosures of their trading activities if there are any. There were no dealings in the Trust's units during the closed periods by the Directors or employees of the Manager reported during the financial year up to the date of this Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

continued

WHISTLEBLOWER PROTECTION POLICY (THE “POLICY”)

The Manager has a policy in place 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 the Trust and the Manager. The aim of the Policy is to promote whistleblowing in a positive and independent manner which provides an avenue to escalate concern on improper conduct or transactions and such concern are being addressed appropriately.

The Policy provides protection to whistleblowers which includes not only the employees but also any person that who 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 policies or legislative requirements.

CONCLUSION

The Board has received assurance from the Executive Director / Chief Executive Officer, Chief Financial Officer and Compliance Officer of the Manager that the risk management and internal control system is operating adequately and effectively, in all material aspects.

The external auditors have reviewed this Statement for inclusion in the Annual Report 2022. The external auditors conducted the review in accordance with the Audit and Assurance Practice Guides 3 – Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report (“AAPG 3”) issued by the Malaysian Institute of Accountants. The review has been conducted to assess whether this Statement is both supported by the documentation prepared by or for the Board and appropriately reflects the processes the Directors had adopted in reviewing the adequacy and integrity of the system of internal controls of the Group. AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the risk and control procedures. AAPG 3 also does not require the external auditors to consider whether the processes described to deal with material internal control aspects of any significant matters disclosed in the Annual Report will, in fact, mitigate the risks identified or remedy the potential problems. Based on their review, the external auditors have reported to the Board that nothing had come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes the Board has adopted in the review of the adequacy and effectiveness of the risk management and internal control.

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

AUDIT COMMITTEE REPORT

An Audit Committee of Directors (“AC”) 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.

As of this report date, the AC comprises three (3) members, all of whom are Non-Executive Directors, of which two (2) members are Independent Directors.

The AC Chairman is an Independent Non-Executive Director.

COMPOSITION

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

Dato’ Wong Nam Loong

Chairman

Independent Non-Executive Director

Dato’ Abdullah Thalith Bin Md Thani

Independent Non-Executive Director

Soo Kim Wai

Non-Independent Non-Executive Director

Tan Sri Mazlan Bin Mansor

Independent Non-Executive Director

(Resigned on 28 February 2022)

The Manager is of the view that the AC members have the relevant expertise to discharge the functions of an AC. The primary roles and responsibilities of the AC are to monitor and evaluate the effectiveness of the Trust and the Manager’s internal controls and to ensure that the financial statements comply with the applicable financial reporting standards. The AC has a set of Terms of Reference defining its scope of authority, in relation to its management of the Trust.

TERMS OF REFERENCE

The AC is governed by the Terms of Reference as listed below:

Primary Roles and Responsibilities

- (i) To provide assistance to, to review and report to the Board of the Manager in relation to:
 - (a) fulfilling the statutory and fiduciary responsibilities of the Manager; and
 - (b) monitoring of the accounting and financial reporting practices of the Trust and the Manager.
- (ii) To determine that the Trust and the Manager have adequate established policies, procedures and guidelines, operating and internal controls, and that they are being complied with and are operating effectively in promoting efficiency and proper conduct and protecting the assets of the Trust.
- (iii) To serve as an independent and objective party in the review of the financial information of the Trust that is presented by the Management to the Board.
- (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

AUDIT COMMITTEE REPORT

continued

TERMS OF REFERENCE (CONTD.)

- (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 thorough 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 is considered necessary.
- (x) To prepare when necessary, periodic reports to the Board summarising the works deemed performed in fulfilling the AC primary responsibilities.
- (xi) To review any related party transaction and conflict of interest situation that may arise including any transaction, procedure or course of conduct that raises questions of the Manager's integrity.
- (xii) To review the annual appointment of the external auditors, or letter of resignation from external auditors, to negotiate and approve the annual audit fees and / or special audit fees, and evaluate basis of billings therewith.

MEETING

The AC shall meet at quarterly intervals or such other intervals as the AC shall decide. The quorum necessary for the transaction of the business of the AC shall be two (2) members. For the FY2022, the AC had met a total of four (4) times. The attendance of the AC members to the AC meetings held for the FY2022 are as follows:

Directors	Designation	Number of AC Meeting	Percentage of Attendance (%)
Dato' Wong Nam Loong	Independent Non-Executive Director	4	100
Dato' Abdullah Thalith bin Md Thani	Independent Non-Executive Director	4	100
Soo Kim Wai	Non-Independent Non-Executive Director	4	100
Tan Sri Mazlan bin Mansor (Resigned on 28 February 2022)	Independent Non-Executive Director	4	100

AUDIT COMMITTEE REPORT

continued

SUMMARY OF ACTIVITIES OF THE AC

The activities of the AC for the FY2022 as listed below:

- (i) AC reviewed the adequacy and effectiveness of the systems of internal controls through the risk management framework, compliance and internal audit activities to ensure there is a systematic methodology to identify, assess and mitigate risk areas.
- (ii) Reviewed the adequacy of the scope, functions and resources of GIAD, and deliberated on and approved GIAD's Annual Audit Plan for the Manager.
- (iii) Deliberated on GIAD's reports and the audit recommendations, Management's responses and status of resolution of the audit issues and recommendations highlighted, to ensure Management had taken prompt and effective corrective actions to address the issues reported.
- (iv) Reviewed with the external auditors and approved 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. Prior to two (2) AC meetings, the external auditors had private sessions with the AC without the presence of Management, giving the AC and external auditors an opportunity to deliberate confidential matters that might not have been specifically asked in the formal part of the AC meeting.
- (v) Reviewed the financial statements, audit report, issues and reservations arising from the statutory audit with the external auditors.
- (vi) Reviewed and discussed the financial performance with the Manager.
- (vii) Reviewed the quarterly results and financial statements of the Trust for recommendation to the Board of the Manager for approval before release to Bursa Malaysia.
- (viii) Reviewed quarterly compliance reports to ensure regulatory requirements, internal policies as well as procedures are adhered to.
- (ix) Reviewed and endorsed all related party transactions entered into by the Trust.
- (x) 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.
- (xi) Discussed the implications of any latest changes and pronouncements on the Trust and / or the Manager, issued by the statutory and regulatory bodies.
- (xii) Reviewed overall risk management matters including risk profile register to ensure adequate measures are in place to manage the risks.
- (xiii) Reported to the Board of the Manager on the significant issues and concerns discussed during the AC meetings, together with applicable recommendations. Minutes of the AC meetings were tabled and noted by the Board of the Manager.
- (xiv) Reviewed and recommended the re-appointment of external auditors to the Board of the Manager for approval.
- (xv) Reviewed and noted the recent updates on Malaysia Code on Corporate Governance made in April 2021 and Bursa Malaysia's Main Market Listing Requirements in relation to corporate governance matters.
- (xvi) Reviewed and recommended the following policies to the Board of the Manager for approvals.
 - Investment and Divestment Policy (New Policy)
 - Appointment of Valuer Policy (Updated)
 - Whistleblower Protection Policy (Updated)

AUDIT COMMITTEE REPORT

continued

INTERNAL AUDIT

- (i) The internal audit function is undertaken by AmBank (M) Berhad's GIAD, headed by the Group Chief Internal Auditor ("GCIA"), En. Shamsul Bahrom bin Mohamed Ibrahim.
- (ii) The GCIA does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.
- (iii) GIAD is independent of the activities and operations of the Manager, and reports directly to the AC.
- (iv) GIAD operates under an audit charter mandated by the AC which gives it unrestricted access to review all activities of the AmBank Group, including the Manager.
- (v) GIAD's activities conform with the Institute of Internal Auditors (IIA)'s International Standards for the Professional Practice of Internal Auditing as well as standards and requirements set out by the relevant Regulators, such as Bank Negara Malaysia and the Securities Commission on the internal audit function.
- (vi) GIAD focuses its efforts in accordance with the Annual Audit Plan ("AAP") approved by the AC, and the main objective of the audit reviews are to assess the adequacy and effectiveness of the risk management and systems of internal controls governing the activities carried out by the Manager.
- (vii) GIAD undertook the following activities during FY2022:
 - Determined and risk assessed all areas of activities within the Manager and the Trust and established the AAP which sets out the key areas of audit focus and emphasis.
 - Undertook and completed the planned audit review as set out in the AAP to provide an independent assessment and objective assurance on the adequacy and effectiveness of governance, risk management and internal controls over the business activities and operations.
 - Prepared the audit report on the results of the review, incorporating the overall assessment and conclusion of the review, detailed audit observations, recommendations to enhance existing processes and internal controls and Management responses on the agreed action plan to address the recommendations.
 - The audit report was discussed with the Management and tabled and deliberated at the AC meeting.
 - Performed follow-up with the Management on the status of resolution of audit issues and recommendations, and tabled updates on the status at each AC meeting, until the full resolution of the issues highlighted.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board is responsible to ensure that the financial statements for the FY2022 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 SC's Listed REITs Guidelines, so as to give a true and fair view of the financial position of AmFIRST REIT as at 31 March 2022 and of its financial performance and cash flows for the financial year then ended.

In preparing the financial statements for the FY2022, the Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- Ensured 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.

MANAGER'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

The Board 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 2022.

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"), the Second Restated Deed dated 13 September 2013 ("Second Deed") and the Third Restated Deed dated 12 June 2020 ("Third Deed" or the "Deed")) by the Manager and the Trustee, Maybank Trustees Berhad. The Third Deed superseded the Original Deed, the First Deed and the Second 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.

AmREIT, the Manager of AmFIRST REIT, is a private limited liability company incorporated and domiciled in Malaysia. AmREIT is principally involved in the business of managing real estate investment trusts.

AmREIT, is a wholly-owned subsidiary of AmREIT Holdings, incorporated in Malaysia. AmREIT Holdings is 70% owned by AIGB and 30% owned by AmProp. AmProp is a 100% owned subsidiary of Amcorp, which is also a substantial shareholder of AMMB, the ultimate holding company of AmREIT.

MANAGER'S FEES AND COMMISSION

Pursuant to the Deed, the Manager is entitled to receive from the Trustee out of the Assets of the REIT, a base fee (excluding any taxes payable) of up to 0.5% per annum of the total asset value and a performance fee (excluding any taxes payable) of 3% per annum of the net rental income, but before deduction of property management fees. During the financial year ended 31 March 2022, the Manager's fee consists of base fee of 0.3% (FY2021 : 0.3%) per annum and performance fee of 3.0% (FY2021 : 3.0%) per annum.

In addition, the Manager will also be entitled to an acquisition fee of 1% of the acquisition price of any real estate or singlepurpose 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 except for one as disclosed in Note 30 to the Financial Statements at pages 158 to 159.

CHANGES IN THE STATE OF AFFAIRS

There was no change in the state of affairs of the Trust during the financial year under review.

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.

MANAGER'S REPORT

continued

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:

Soo Kim Wai
Dato' Wong Nam Loong
Dato' Abdullah Thalith bin Md Thani
Azlan Baqee bin Abdullah
Yap Huey Wen
YM Raja Nazirin Shah bin Raja Mohamad
Tan Sri Mazlan bin Mansor (Resigned on 28 February 2022)

DIRECTORS' BENEFITS

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 are accrued from the fees 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 substantial financial interest, other than related party transactions as shown in Note 26 to the financial statements of the Trust.

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 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, the ultimate holding company, or the acquisition of units 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 ended 31 March 2022.

SANCTION AND / OR PENALTY

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 2022.

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 of AmFIRST REIT.

CONFLICT OF INTEREST

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

CONVICTIONS FOR OFFENCES (OTHER THAN TRAFFIC OFFENCES)

None of the Directors has been convicted for offences within the past five (5) years.

MANAGER'S REPORT

continued

AUDIT AND NON-AUDIT FEE

The amount of audit and non-audit fees paid or payable to the external auditors for the financial year ended 31 March 2022 are as follows:

	FY2022
Audit fee	60,130
Non-audit fee	8,000

OTHER STATUTORY INFORMATION

- (a) Before the statement of financial position and statement of comprehensive income of the Trust were made out, the Directors 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 provision for doubtful debts and satisfied themselves that there were no bad debts and that no provision for doubtful debts was necessary; and
 - (ii) to ensure that any current asset which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Trust which would render:
- (i) it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Trust; and
 - (ii) the values attributed to current assets in the financial statements of the Trust misleading.
- (c) At the date of this report, the Directors are 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 Directors are not aware of any circumstances not otherwise dealt with in this report or 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, other than those arising in the normal course of the business of the Trust.
- (f) In the opinion of the Directors of the Manager:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Trust to meet its obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Trust for the financial year in which this report is made.

MANAGER'S REPORT

continued

AUDITORS

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

To the extent permitted by law, the Trust has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

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

SOO KIM WAI

Kuala Lumpur, Malaysia
26 April 2022

YM RAJA NAZIRIN SHAH BIN RAJA MOHAMAD

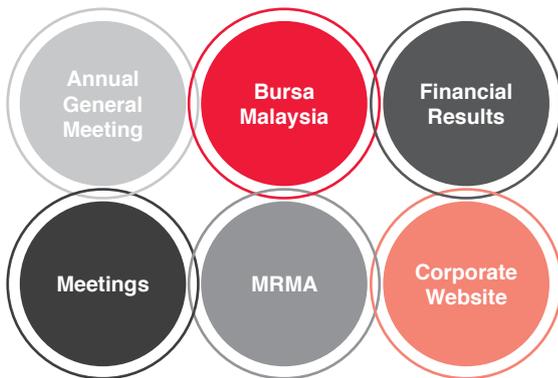
INVESTOR RELATIONS AND COMMUNICATIONS

We are committed to maintaining timely, effective, and consistent communication with our stakeholders, including prospective investors, analysts, and media to ensure that they are provided with relevant information on financial and operational performances, major developments, and outlook, amongst other things, to enable them to make informed decisions. We are constantly working towards sound investor relations practice, greater transparency, and corporate governance.

ENGAGING WITH OUR STAKEHOLDERS

Engagement with our stakeholders is important in helping us to better understand their priorities as we continue to evolve in our business strategies.

Throughout the financial year, we have reached out to our stakeholders through various communication platforms in order to enable them to keep abreast on our performance and outlook.

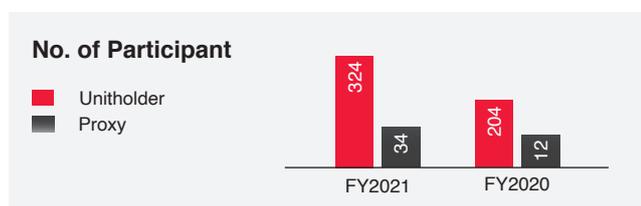


Annual General Meeting (“AGM”)

AGM is an important event each year and serves as the primary platform for Unitholders to effectively engage with the Board and the Management in order to gain insights on the business activities and financial position and enables the Unitholders to provide constructive feedback and raise their concerns directly to the Board and the Management.

It also provides a platform to the Board and the Management in updating the Unitholders on our latest development and strategic direction.

On 7 July 2021, we held our Ninth AGM fully virtual through live streaming and online voting via (“RPEV”).



In line with MCCG Practice 12.1, the Notice of Ninth AGM was issued more than 28 days prior to the AGM.

Notice of Ninth AGM was advertised in one (1) nationally circulated Bahasa Malaysia and English daily press newspapers and in writing to Bursa Malaysia.

A wide range of questions were received from the Unitholders and Proxies where responses were provided by the Board and the Management during the Questions and Answers (“Q&A”) session. Pursuant to the recommendation by the Minority Shareholders Watch Group (“MSWG”) on the appointment of an independent moderator at a virtual AGM, we have appointed KPMG Management & Risk Consulting Sdn Bhd as the moderator for our first fully virtual AGM held last year to ensure that the Q&A session is conducted in an objective and transparent manner.

The full list of questions and answers of the AGM are made available at our corporate website at <https://ir2.chartnexus.com/amfirstreit/agm.php>.

Due to the prolonged COVID-19 pandemic and having regard to the safety and well-being of our Unitholders, the Board, employees, and other stakeholders, the Tenth Annual General Meeting will continue to be conducted fully virtual without the physical presence of the Unitholders, representatives and third parties and is scheduled on Thursday, 21 July 2022.

Bursa Malaysia

We make disclosures on an immediate basis pursuant to the Main Market Listing Requirements of Bursa Malaysia. These include annual report, quarterly financial results, corporate presentations and any other material announcements.

INVESTOR RELATIONS AND COMMUNICATIONS

continued

Financial Results

We announce our quarterly financial results to Bursa Malaysia on the same day the quarterly financial results are approved by the Board.

Quarterly corporate presentations is published in an investor-friendly manner to provide additional information on our latest financial and operational performances. The corporate presentations are available on our corporate website immediately following the announcement made to Bursa Malaysia.

Meetings

We provide a one-to-one / group meetings to institutional investors, fund managers and analyst on quarterly and yearly basis upon requests by the institutional investors and fund managers where these meetings / briefings focus on providing updates on the financial results as well as on the business development.

Malaysian REIT Managers Association (“MRMA”)

The Manager’s active involvement in the industry-related association enables us to share our voice through this participation. Through MRMA, members cohesively strive to achieve progressive growth of the Malaysian REITs’ market by developing common benchmarking against international best practices and favorable regulatory regime.

Corporate Website

Comprehensive information and updates are also made accessible to the public on our corporate website at www.amfirstreit.com.my. Up-to-date and historical information such as announcements to Bursa Malaysia, Unit Price performance, media releases, annual reports, corporate presentations and other developments are archived on our corporate website.

Our corporate website is updated regularly to ensure that latest information is readily available and contain a dedicated page for stakeholders to submit their enquiry.

Stakeholders can also download the mobile app “AmFIRST REIT” from Google Play to obtain up-to-date information about us.

Our latest annual report was not only offered for desktop computers but also optimised for tablet computers and smartphones, hence, increasing its accessibility to the mobile devices’ users.

FEEDBACK AND ENQUIRY

Please feel free to contact the dedicated team of the Manager via the followings:

YM Raja Nazirin Shah bin Raja Mohamad
Executive Director / Chief Executive Officer
Email: rajanazirinshah@ambankgroup.com
Telephone No: +603 7969 1780

Mr Chong Hong Chuon
Chief Financial Officer
Email: chong-hong-chuon@ambankgroup.com
Telephone No: +603 7955 8277

Encik Zuhairy bin Md Isa
Deputy Chief Executive Officer
Email: zuhairy-isa@ambankgroup.com
Telephone No: +603 7955 8026

Encik Abdul Rahman bin Mohd Joned
Vice President 2, Finance
Email: rahman-joned@ambankgroup.com
Telephone No: +603 7955 8120

Tentative Key Financial Calendar

July 2022

Annual General Meeting
10th Annual General Meeting

August 2022

Results
1Q FY2023 Financial Results

November 2022

Results
2Q FY2023 Financial Results

December 2022

Income Distribution
1H FY2022 Interim Income Distribution

February 2023

Results
3Q FY2023 Financial Results

April 2023

Results
4Q FY2023 Financial Results



Financial Statements

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STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	2022 RM	2021 RM
ASSETS			
Non-current assets			
Investment properties	5 and 7	1,608,746,762	1,628,488,553
Right-of-use assets	6	181,376	304,516
Receivables	7	27,366,214	23,895,001
		1,636,294,352	1,652,688,070
Current assets			
Receivables	7	19,549,540	16,302,501
Deposits with financial institution	8	1,518,697	2,487,993
Cash and bank balances		3,912,534	2,241,595
		24,980,771	21,032,089
TOTAL ASSETS		1,661,275,123	1,673,720,159
UNITHOLDERS' FUNDS			
Unitholders' capital	14	636,624,829	636,624,829
Undistributed income		175,123,729	187,007,255
TOTAL UNITHOLDERS' FUNDS		811,748,558	823,632,084
LIABILITIES			
Non-current liabilities			
Rental deposits	9	13,626,027	12,497,381
Deferred tax liabilities	10	1,236,011	2,069,098
Borrowings	11	697,526,631	697,114,132
Lease liabilities	12	23,091	140,022
		712,411,760	711,820,633
Current liabilities			
Payables	13	7,399,077	5,794,688
Rental deposits	9	11,862,641	14,702,562
Borrowings	11	117,687,501	117,587,501
Lease liabilities	12	165,586	182,691
		137,114,805	138,267,442
TOTAL LIABILITIES		849,526,565	850,088,075
TOTAL UNITHOLDERS' FUNDS AND LIABILITIES		1,661,275,123	1,673,720,159
NET ASSET VALUE		811,748,558	823,632,084
NUMBER OF UNITS IN CIRCULATION		686,401,600	686,401,600
NET ASSET VALUE PER UNIT			
- before proposed final distribution		1.1826	1.1999
- after proposed final distribution		1.1633	1.1857

The accompanying notes are an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022 RM	2021 RM
Revenue	15	99,646,741	107,303,059
Property expenses	16	(40,392,174)	(42,334,138)
Net rental income		59,254,567	64,968,921
Interest income		41,858	63,530
Changes in fair value of investment properties	5	(21,990,713)	(22,861,634)
Gain/(loss) on financial liabilities measured at amortised cost		172,154	(440,266)
Fair value gain on derivatives		-	910,180
Other income		28,446	373,940
		37,506,312	43,014,671
Administrative expenses			
Manager's fee	17	(6,808,456)	(7,087,725)
Trustee's fee	18	(328,580)	(335,940)
Valuation fee		(237,910)	(139,000)
Auditors' remuneration		(60,130)	(53,500)
Tax agent's fee		(20,284)	(19,186)
Other expenses	19	1,264,043	(4,004,679)
		(6,191,317)	(11,640,030)
Operating profits		31,314,995	31,374,641
Finance cost:			
Interest on lease liabilities		(13,520)	(18,790)
Interest expense		(26,789,409)	(28,982,959)
		(26,802,929)	(29,001,749)
Profit before taxation		4,512,066	2,372,892
Taxation	20	833,087	351,931
Profit for the financial year after taxation, representing total comprehensive income for the financial year		5,345,153	2,724,823
Total comprehensive income for the financial year is made up as follows:			
- Realised		22,184,834	21,513,349
- Unrealised		(16,839,681)	(18,788,526)
		5,345,153	2,724,823

The accompanying notes are an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

continued

	Note	2022	2021
Earnings per unit (Realised) (sen)	21		
- after manager's fee		3.23	3.13
- before manager's fee		2.24	2.10
Income distribution (RM)	22		
- Interim income distribution of 1.09 sen per unit paid on 29 December 2021 (2021: 1.40 sen per unit paid on 28 December 2020)		7,481,779	9,609,622
- Proposed final income distribution of 1.93 sen per unit payable on 31 May 2022 (2021: Final income distribution of 1.42 sen per unit paid on 27 May 2021)		13,247,551	9,746,900
		20,729,330	19,356,522
Income distribution per unit* (sen)			
- Interim		1.09	1.40
- Final		1.93	1.42
		3.02	2.82

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

	2022	2021
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	24%	24%

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Non-Distributable Unitholders' Capital RM	Distributable Realised Income RM	Non-Distributable Unrealised Income/(loss) RM	Unitholders' Funds RM
As at 1 April 2021	636,624,829	17,068,933	169,938,322	823,632,084
Total comprehensive income/(loss) for the financial year	-	22,184,834	(16,839,681)	5,345,153
	636,624,829	39,253,767	153,098,641	828,977,237
Unitholders' transactions				
Distributions to Unitholders (Note 22) relating to the financial year ended:				
- 2021 final	-	(9,746,900)	-	(9,746,900)
- 2022 interim	-	(7,481,779)	-	(7,481,779)
	-	(17,228,679)	-	(17,228,679)
As at 31 March 2022	636,624,829	22,025,088	153,098,641	811,748,558
As at 1 April 2020	636,624,829	15,392,593	188,726,848	840,744,270
Total comprehensive income/(loss) for the financial year	-	21,513,349	(18,788,526)	2,724,823
	636,624,829	36,905,942	169,938,322	843,469,093
Unitholders' transactions				
Distributions to Unitholders (Note 22) relating to the financial year ended:				
- 2020 final	-	(10,227,387)	-	(10,227,387)
- 2021 interim	-	(9,609,622)	-	(9,609,622)
	-	(19,837,009)	-	(19,837,009)
As at 31 March 2021	636,624,829	17,068,933	169,938,322	823,632,084

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		4,512,066	2,372,892
<i>Adjustments for:</i>			
Accrued unbilled rental income	15	(3,021,444)	(4,375,610)
Interest income		(41,858)	(63,530)
Interest on lease liabilities		13,520	18,790
Interest expense		26,789,409	28,982,959
Depreciation of right-of-use assets	6	220,552	277,396
(Reversal)/allowance of ECL	19	(2,058,444)	2,934,393
Changes in fair value of investment properties		21,990,713	22,861,634
(Gain)/loss on financial liabilities measured at amortised cost		(172,154)	440,266
Fair value gain on derivatives		-	(910,180)
Operating profit before working capital changes		48,232,360	52,539,010
<i>Changes in working capital:</i>			
Increase in receivables		(1,638,364)	(10,967,687)
Increase/(decrease) in payable		1,512,989	(2,250,435)
Decrease in rental deposits		(1,539,121)	(1,184,261)
Net cash generated from operating activities		46,567,864	38,136,627
CASH FLOWS FROM INVESTING ACTIVITIES			
Enhancement cost on investment properties	5	(2,248,922)	(4,210,371)
Interest income		41,858	63,530
Net cash used in investing activities		(2,207,064)	(4,146,841)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(26,698,008)	(29,244,432)
Distributions paid to Unitholders		(17,228,679)	(19,837,009)
Drawdown of borrowings (net)		512,499	16,032,176
Payment of lease liabilities	12	(244,968)	(281,388)
Net cash used in financing activities		(43,659,156)	(33,330,653)
Net increase in cash and cash equivalents		701,645	659,134
Cash and cash equivalents at the beginning of the financial year		4,729,588	4,070,455
Cash and cash equivalents at the end of the financial year		5,431,231	4,729,588
Cash and cash equivalents included in the statement of cash flows comprise the following:			
Cash in bank		3,903,534	2,232,595
Cash in hand		9,000	9,000
Deposits with financial institution	8	1,518,697	2,487,993
		5,431,231	4,729,588

The accompanying notes are an integral part of the 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”), the Second Restated Deed dated 13 September 2013 (“Second Deed”) and the Third Restated Deed dated 12 June 2020 (“Third Deed”) executed between the Manager, AmREIT Managers Sdn Bhd and the Trustee, Maybank Trustees Berhad. The Third Deed has superseded the Original Deed, the First Deed and the Second Deed. The Manager, incorporated in Malaysia, is a wholly-owned subsidiary of AmREIT Holdings Sdn Bhd. AmREIT Holdings Sdn Bhd is 70% owned by AmInvestment Group Berhad and 30% owned by Amcorp Properties Berhad.

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 26 April 2022.

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.

In the preparation of these financial statements, the Manager has made an assessment of the ability of Trust to continue as going concern. Based on the assessment, the Manager is not aware of any material uncertainties related to events or condition that may cast significant doubt upon the Trust’s ability to continue as going concern. Hence, these financial statements have been prepared on a going concern basis.

2.2 Statement of compliance

The financial statements of the Trust has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”). The Trust also complies with the provision of the Deed and the Securities Commission Malaysia’s Guidelines on Listed Real Estate Investment Trusts (“SC’s Listed REITs Guidelines”).

2.3 Presentation of financial statements

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

2.4 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies has been consistently applied to all years presented, other than where new policies have been adopted.

NOTES TO THE FINANCIAL STATEMENTS

continued

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (Contd.)

2.4a 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 property 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. Gain or 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.

2.4b Leases

The determination of whether an arrangement is, or contains, a lease is based on whether the arrangement conveys a right to control the use the asset, even if that right is not explicitly specified in an arrangement.

2.4b(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. Rental income is recognised over the term of the lease on a straight-line basis. 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.

2.4b(ii) The Trust as a lessee

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Trust.

At the commencement date of the lease, the Trust recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Trust and payments of penalties for terminating a lease, if the lease term reflects the Trust exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS

continued

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (Contd.)

2.4b Leases (Contd.)

2.4b(ii) The Trust as a lessee (Contd.)

In calculating the present value of lease payments, the Trust uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received (if any). Where applicable, the cost of right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term of the assets, as follows:

Retail space	1 to 3 years
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Right-of-use assets are assessed for impairment whenever there is an indication that the right-of-use assets may be impaired.

The Trust applies the short-term lease recognition exemption to its short-term leases, i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value, i.e. those with a value of RM20,000 or less. Lease payments on short-term leases and leases of low-value assets are recognised as expense in the statement of comprehensive income.

2.4c Financial instruments – initial recognition and measurement

2.4c(i) Initial recognition

Financial assets and financial liabilities are recognised when the Trust become a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised using trade date accounting or settlement date accounting. The method used is applied consistently for all purchases and sales of financial assets that belong to the same category of financial assets. The Trust applies trade date accounting for derivative financial instruments and investments in equity instruments, and settlement date accounting for investments in debt instruments.

2.4c(ii) Initial measurement of financial instruments

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 borrowings and payables, net of directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

continued

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (Contd.)

2.4c Financial instruments – initial recognition and measurement (Contd.)

2.4c(iii) “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 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.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Trust’s business model for managing them. The financial assets can be measured either:

- Amortised cost;
- Fair value through other comprehensive income (“FVOCI”); or
- Fair value through profit or loss (“FVTPL”)

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

2.4d Financial Instruments - Classification and subsequent measurement

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Trust commits to purchase or sell the asset.

The Trust determines the classification of its financial assets at initial recognition and categorises receivables as financial assets at amortised cost.

2.4d(i) Financial assets at amortised cost

The Trust measures financial assets at amortised cost if both of the following conditions are met:

- (1) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Trust’s financial assets at amortised cost includes trade receivables, cash and bank balances and deposits with financial institution.

NOTES TO THE FINANCIAL STATEMENTS

continued

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (Contd.)

2.4d Financial Instruments - Classification and subsequent measurement (Contd.)

2.4d(ii) 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 liability when its fair value is negative. Changes in fair value of derivative is recognised in profit or loss.

2.4d(iii) 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. 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.

2.4e Derecognition of financial assets and financial liabilities

2.4e(i) 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; or
- 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.

NOTES TO THE FINANCIAL STATEMENTS

continued

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (Contd.)

2.4e Derecognition of financial assets and financial liabilities (Contd.)

2.4e(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. 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 profit or loss.

2.4f 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.

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.

All assets or liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1: Quoted (unadjusted) market prices in active markets or identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTES TO THE FINANCIAL STATEMENTS

continued

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (Contd.)

2.4f Fair value measurement (Contd.)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Trust determines 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 measurements 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 27.

2.4g Financial instruments - expected credit losses

The Trust recognises an allowance for expected credit losses ("ECL") for all financial assets measured at amortised cost. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Trust expects to receive, discounted at an approximation of the original effective interest rate.

ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Trust applies a simplified approach in calculating ECL. Therefore, the Trust does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Trust has established a historical credit loss rate that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Trust considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Trust may also consider a financial asset to be in default when internal or external information indicates that the Trust is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Trust. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4h 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.

2.4i Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. 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 three (3) months.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term funds with original maturity of less than three (3) months and net of outstanding bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS

continued

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (Contd.)

2.4j 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.

2.4k 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.

2.4l 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.

2.4l(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.

2.4l(ii) Revenue - Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis. One-off rental rebate arising from the COVID-19 pandemic have been net-off from the rental income as disclosed in Note 15.

NOTES TO THE FINANCIAL STATEMENTS

continued

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (Contd.)

2.4I Recognition of income and expenses (Contd.)

2.4I(iii) Recognition of revenue from contracts with customers

Revenue is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Trust transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Trust and its customer have approved the contract and intend to perform their respective obligations, the Trust's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Trust will collect the consideration to which it will be entitled to in exchange of those goods or services.

At the inception of each contract with customer, the Trust assesses the contract to identify distinct performance obligations, being the units of account that determine when and how revenue from the contract with customer is recognised.

Revenue is measured at the amount of consideration to which the Trust expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties. If the amount of consideration varies, the Trust estimates the amount of consideration that it expects to be entitled based on the expected value or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. If the contract with customer contains more than one distinct performance obligation, the amount of consideration is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The consideration allocated to each performance obligation is recognised as revenue when or as the customer obtains control of the goods or services. At the inception of each contract with customer, the Trust determines whether control of the goods or services for each performance obligation is transferred over time or at a point in time. Revenue is recognised over time if the control over the goods or services is transferred over time. Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

2.4m Property expenses

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

Property expenses are recognised on an accrual basis.

2.4n Manager's and Trustee's fees expenses

The Manager's and Trustee's fees are recognised in the statement of comprehensive income as the services are delivered and performance obligations met. The Trust assesses whether the individual element of service in the agreement are separate performance obligations. When the agreement include multiple performance obligations, the transaction price which are stipulated in the agreement is charged to each performance obligation.

The basis by which Manager's and Trustee's fee is derived is as explained in Note 17 and Note 18 respectively.

NOTES TO THE FINANCIAL STATEMENTS

continued

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (Contd.)

2.4o Income distribution

Income distributions are recognised as a liability when determined by the Manager. Interim distributions are deducted from Unitholders' funds 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.

2.4p Taxation

2.4p(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.

2.4p(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.

NOTES TO THE FINANCIAL STATEMENTS

continued

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (Contd.)

2.4p Taxation (Contd.)

2.4p(ii) Deferred tax (Contd.)

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.

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.

2.4q Earnings per Unit

The Trust's earnings per unit ("EPU") is presented based on basic and diluted format.

Basic EPU is calculated by dividing the profit or loss attributable to Unitholders of AmFIRST REIT by the weighted average number of units outstanding during the year.

Diluted EPU is determined by adjusting the profit or loss attributable to Unitholders against the weighted average number of units outstanding adjusted for the effects of all dilutive potential units.

2.4r Net Asset Value ("NAV") Per Unit

	2022 RM	2021 RM
NAV computation:		
NAV before proposed final income distribution	811,748,558	823,632,084
Less: proposed final income distribution (Note 22)	(13,247,551)	(9,746,900)
NAV after proposed final income distribution	798,501,007	813,885,184
Number of units in circulation	686,401,600	686,401,600
NAV Per unit:		
- before proposed final income distribution	1.1826	1.1999
- after proposed final income distribution	1.1633	1.1857

NOTES TO THE FINANCIAL STATEMENTS

continued

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (Contd.)

2.4s Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker who is responsible for allocating resources and assessing performance of the operating segments. This has been identified as the Chief Executive Officer of the Manager that makes strategic decisions.

3. CHANGES IN ACCOUNTING POLICIES

3.1 Adoption of amendments and annual improvements to standards

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to published standards:

- Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

The adoption of these amendments to published standards did not have any material impact on the financial statements of the Trust. The Trust did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments to published standards.

The nature of the new standards and amendments to published standards relevant to the Trust are described below:

(a) Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

The amendments address issues that arise from the implementation of interest rate benchmark reforms, focusing on issues that affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("RFR").

The amendments, among others, include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. In applying the practical expedient, an entity is required to first identify and account for modifications to the instrument by updating the effective interest rate without adjusting the carrying amount. As a result, no immediate gain or loss is recognised.

In addition, formal designation of a hedging relationship shall be amended to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform without discontinuing the existing hedging relationship or designation of a new hedging relationship.

In view of the practical expedient and temporary exceptions provided in these amendments, the discontinuation of London Interbank Offer Rate ("LIBOR") and the transition to alternative RFRs has not resulted in any significant financial impact to the Trust.

3.2 Standards issued but not yet effective

The following are new standard and amendments to published standards issued but not yet effective up to the date of issuance of the Trust's financial statements. The Trust intend to adopt the relevant standards and amendments to published standards when they become effective.

NOTES TO THE FINANCIAL STATEMENTS

continued

3. CHANGES IN ACCOUNTING POLICIES (CONTD.)

3.2 Standards issued but not yet effective (Contd.)

Description	Effective for annual periods beginning on or after
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to MFRS 116)	1 January 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137)	1 January 2022
Reference to the Conceptual Framework (Amendments to MFRS 3)	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendment to MFRS 17)	1 January 2023
Classification of Liabilities as Current or Non-Current (Amendments to MFRS 101)	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 101)	1 January 2023
Definition of Accounting Estimates (Amendments to MFRS 108)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)	1 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	To be determined by MASB

The nature of the new standards, amendments to published standards and new interpretation that are issued and relevant to the Trust but not yet effective are described below. The Trust are currently assessing the financial effects of their adoption.

(i) Amendments to published standards effective for financial year ending 31 March 2023

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to MFRS 116)

The amendments clarify that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset, and prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such samples, together with the costs of producing them, shall be recognised in profit or loss.

The amendments are applied retrospectively from annual reporting period beginning on or after 1 January 2022 but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by Management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Early adoption is permitted.

Adoption of these amendments would not result in any material impact to the Trust's financial statements as the Trust did not expect any proceeds before its intended use from any property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

continued

3. CHANGES IN ACCOUNTING POLICIES (CONTD.)

3.2 Standards issued but not yet effective (Contd.)

(i) Amendments to published standards effective for financial year ending 31 March 2023 (Contd.)

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137)

The amendments explain that the direct cost of fulfilling a contract for the purpose of determining the unavoidable costs of meeting the entity's contractual obligations comprises the incremental costs of fulfilling that contract (e.g. direct labour and materials) and an allocation of other costs that relate directly to fulfilling contracts (e.g. an allocation of the depreciation charge for an asset used to fulfil the contract). The amendments also clarify that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

The amendments are applied from annual reporting period beginning on or after 1 January 2022 to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments without restatement of comparative information. The cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. Early adoption is permitted.

Reference to the Conceptual Framework (Amendments to MFRS 3)

The amendments updated MFRS 3 *Business Combinations* to refer to the revised Conceptual Framework for Financial Reporting ("Conceptual Framework") in order to determine what constitutes an asset or a liability in a business combination. In addition, a new exception is added in MFRS 3 in connection with liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying MFRS 3 should instead refer to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets* or *IC Interpretation 21 Levies*, rather than the *Conceptual Framework*.

The amendments are applied to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted.

Annual Improvements to MFRS Standards 2018 - 2020

The Annual Improvements to MFRS Standards 2018 - 2020 include minor amendments affecting 2 MFRSs, as summarised below:

(1) **MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards**

When a subsidiary adopts MFRS at a later date than its parent, MFRS 1 permits the subsidiary to measure its assets and liabilities at the carrying amounts that would be included in its parent's consolidated financial statements, based on the parent's date of transition to MFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. The amendment expanded the above by allowing the subsidiary to also measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to MFRS.

The amendment to MFRS 1 extends the above exemption to cumulative translation differences, in order to reduce costs for first-time adopters. This amendment will also apply to associates and joint ventures that have taken the same MFRS 1 exemption.

(2) **MFRS 9 Financial Instruments**

The amendment clarified that costs or fees paid to third parties shall not be included in the 10% test for derecognition of financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

continued

3. CHANGES IN ACCOUNTING POLICIES (CONTD.)

3.2 Standards issued but not yet effective (Contd.)

(ii) New standard and amendments to published standards effective for financial year ending 31 March 2024

Classification of Liabilities as Current or Non-current (Amendments to MFRS 101)

The amendments clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are classified as non-current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. Classification is unaffected by the expectations or intentions of the entity, as well as events after the reporting date. The amendments are applied retrospectively from annual reporting period beginning on or after 1 January 2023. Early adoption is permitted. The amendments are not expected to result in any impact as the Trust present all assets and liabilities in the statements of financial position in order of liquidity.

Disclosure of Accounting Policies (Amendments to MFRS 101)

The amendments require entities to disclose material accounting policies rather than significant accounting policies in the financial statements. Entities are expected to make disclosure of accounting policies specific to the entity and not generic disclosures on MFRS applications.

An accounting policy is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the users make based on those financial statements. Also, accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Immaterial accounting policy information need not be disclosed.

The amendments are applied from annual reporting period beginning on or after 1 January 2023. Early adoption is permitted.

Definition of Accounting Estimates (Amendments to MFRS 108)

The amendments redefined accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty" and provide clarity on how to distinguish changes in accounting policies from changes in accounting estimates.

The amendments further clarify that effects of a change in an input or measurement technique used to develop an accounting estimate (for example, expected credit losses, fair value of an asset or liability, and depreciation for property and equipment) is a change in accounting estimate, if they do not arise from prior period errors.

The amendments are applied from annual reporting period beginning on or after 1 January 2023. Early adoption is permitted.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)

The amendments clarified that the initial exemption rule from recognising deferred taxes does not apply to transactions where both an asset and a liability are recognised at the same time resulting in equal amounts of taxable and deductible temporary differences. This essentially means that lessees would not be able to apply the initial exemption rule in MFRS 112 for the assets and liabilities arising from leases.

The amendments are applied from annual reporting period beginning on or after 1 January 2023. Early adoption is permitted. As the Trust currently adopted the policy not to recognise deferred taxes on leases, additional deferred taxes on temporary differences associated with right-of-use assets, lease liabilities and decommissioning obligations would need to be recognised when the amendments become effective.

NOTES TO THE FINANCIAL STATEMENTS

continued

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with MFRS and IFRS required the Trust 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.

In the process of applying AmFIRST REIT's accounting policies, the Trust has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

4.1 Critical judgements made in applying accounting policies

Allowance of ECL

Arising from the macro-economic contraction resulted by the COVID-19 pandemic, the Trust has recognised additional ECL which is inherently subjective due to forward-looking nature of the assumptions made, most notable around the assessment over the likelihood tenants having the ability to pay rent as demanded, as well as the likelihood of rental deferrals and the rental free being offered to tenants as a result of the COVID-19 pandemic. The ECL recognised therefore is subject to a degree of uncertainties which may not prove to be accurate given the uncertainties caused by COVID-19 pandemic. Specific allowance for ECL have been provided for tenants with high probabilities of default resulted from the COVID-19 pandemic.

The Trust applies a simplified approach in calculating ECL by recognises a loss allowance based on lifetime ECL at each reporting date. The Trust has established a historical credit loss rate that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Exemption of current year's income tax expense

Pursuant to the amendment of Section 61A of the Income Tax Act, 1967 under the Finance Act 2006 which was gazetted on 31 December 2006, where in the basis period for a year of assessment, 90% or more of the total income of the Trust is distributed to its Unitholders, the total income of the Trust for that year of assessment shall be exempted from tax. No provision of tax have been made by the Trust as the Trust is intended to distribute 90% or more of the total income of the Trust to its Unitholders.

Operating lease commitments – as lessor

The Trust has entered into commercial property leases on its investment property portfolio. AmFIRST REIT has determined, based on an evaluation of the terms and conditions of the arrangements such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

4.2a Fair valuation of investment properties

The Trust carries its investment properties at fair value, with changes in fair values being recognised in statement of comprehensive income. The Trust had engaged independent professional valuers to determine the fair value of investment properties. The Income Approach by investment method is usually the preferred method used for valuing REIT properties as it provides the best indication of the worth of the property. However, Comparison Method may also be used as an appropriate method based on the professional valuer's opinion in specific circumstances such as the effects from COVID-19. The professional valuers will generally use the Market/Comparison method as a guide and supportive method to the Income Approach by investment method if used and vice-versa. The independent professional valuers have taken into consideration of all pertinent factors and based upon analysis of relevant market data to derive the opinion of market value of the investment properties. The independent professional valuers have considered the impact of COVID-19 pandemic and the effects were reflected accordingly in the key assumptions used in determining the fair value of the investment properties. There has been a change in the valuation methodology adopted for the investment property as a result of COVID-19 pandemic.

NOTES TO THE FINANCIAL STATEMENTS

continued

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

4.2 Key sources of estimation uncertainty (Contd.)

4.2a Fair valuation of investment properties (Contd.)

The estimated fair value may differ from the actual selling price at which the investment properties could be sold. Actual realisation of net assets could differ from the valuation used in the financial statements and the difference could be significant.

The determined fair value of the investment properties by the independent professional valuers is most sensitive to the estimated yield rates. The range of the term yield rate and the reversion yield rate used in the valuation are disclosed in Note 5.

The following table demonstrates the sensitivity of the fair value measurement to changes in estimated term yield rate and its corresponding sensitivity result in a higher or lower fair value measurement:

	Fair value Increase/(decrease)	
	2022 RM	2021 RM
Yield rate		
+ 0.25%	(45,797,151)	(56,550,000)
- 0.25%	48,767,637	63,600,000

The other key assumptions used to determine the fair value of the investment properties are further explained in Note 5.

5. INVESTMENT PROPERTIES

	2022 RM	2021 RM
As at beginning of the financial year	1,628,488,553	1,647,139,816
Acquisition	-	-
Enhancements	2,248,922	4,210,371
Changes in fair value:		
- Based on valuation report	(17,844,922)	(19,610,371)
- Accrued unbilled rental income	(4,145,791)	(3,251,263)
As at end of the financial year	1,608,746,762	1,628,488,553

The carrying amount of the investment properties for the financial years ended 31 March 2022 and 31 March 2021 is based on the market value determined based on valuations, adjusted with accrued rental income as required by MFRS 140, as follows:

	2022 RM	2021 RM
Investment properties - based on valuation report	1,635,504,000	1,651,100,000
Investment properties - accrued unbilled rental income (Note 7)	(26,757,238)	(22,611,447)
Carrying amount	1,608,746,762	1,628,488,553

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.

NOTES TO THE FINANCIAL STATEMENTS

continued

5. INVESTMENT PROPERTIES (CONTD.)

The investment properties are carried at Level 3 of the fair value measurement hierarchy as defined in Note 2.4f. There have been no transfers between Level 1, Level 2 and Level 3 during the financial years ended 31 March 2022 and 31 March 2021.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of property	Valuation technique	Term yield ¹	Reversion yield ²
(i) Menara AmBank	Investment method	6.00%	6.50%
(ii) Bangunan AmBank Group	Investment method	6.00%	6.50%
(iii) Menara AmFIRST	Investment method	5.75% - 6.75%	6.00% - 7.00%
(iv) Wisma AmFIRST	Investment method	6.00% - 6.75%	6.50% - 7.00%
(v) The Summit Subang USJ	Comparison method ³	N/A	N/A
(vi) Prima 9	Investment method	6.00%	6.50%
(vii) Prima 10	Investment method	5.75% - 6.75%	6.00% - 7.00%
(viii) Jaya 99	Investment method	6.25%	6.75%
(ix) Mydin HyperMall	Investment method	6.50%	7.00%

(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 term.

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

(3) The comparison method considered the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. In general, the property being valued is compared with sales of similar properties that have been transacted in the open market. Listing and offering may also be considered. Valuation under this method may be significantly affected by the timing and characteristics (such as location, accessibility, design, size and condition) of the property transactions used for comparison.

Adjusted value of Summit by property:

a. Summit Retail: RM296 per square feet ("sf") to RM484 per sf.

b. Summit Office: RM314 per sf to RM334 per sf.

c. Summit Hotel: RM267,300 - RM268,212 per room

d. Summit Carpark: RM20,250 per bay - RM24,289 per bay

The estimated fair value would increase/(decrease) if:

- Adjusted land value per sf for each component was higher/(lower)

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

NOTES TO THE FINANCIAL STATEMENTS

continued

5. INVESTMENT PROPERTIES (CONTD.)

The breakdown of investment properties is as follows:

Description of property	Land title	Location	Existing use	Cost of investment		Carrying amount		% of valuation	
				as at 31.3.2022 RM	as at 31.3.2022 RM	as at 31.3.2022 RM	as at 31.3.2022 RM	as at 31.3.2022 %	as at 31.3.2021 %
(i) Menara AmBank	Freehold	Kuala Lumpur	Office	263,806,771	322,350,000	39.71	263,684,692	39.10	39.10
(ii) Bangunan AmBank Group	Leasehold [@]	Kuala Lumpur	Office	201,021,151	266,400,000	32.82	201,021,151	32.28	32.28
(iii) Menara AmFIRST	Freehold	Petaling Jaya	Office	65,237,504	64,600,000	7.96	65,237,504	8.04	8.04
(iv) Wisma AmFIRST	Leasehold [#]	Kelana Jaya	Office	95,279,800	113,700,000	14.01	94,964,183	14.33	14.33
(v) The Summit Subang USJ	Freehold	Subang Jaya	Commercial Office, Hotel and Retail Mall	378,754,615	357,650,000	44.06	377,061,437	43.39	43.39
(vi) Prima 9	Freehold	Cyberjaya	Office	73,328,205	73,100,000	9.01	73,239,407	8.89	8.89
(vii) Prima 10	Freehold	Cyberjaya	Office	62,397,578	62,000,000	7.64	62,368,328	7.99	7.99
(viii) Jaya 99	Leasehold [^]	Melaka	Office	88,443,886	100,804,000	12.42	88,443,886	12.70	12.70
(ix) Mydin HyperMall*	Freehold	Penang	Hypermall	254,123,504	248,142,762	30.57	254,123,504	31.01	31.01
				1,482,393,014	1,608,746,762		1,480,144,092	1,628,488,553	

Legend:

@ 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.

* Accrued unbilled rental income of RM26,757,238 (2021: RM22,611,447) have been excluded from the carrying amount of Mydin HyperMall.

NOTES TO THE FINANCIAL STATEMENTS

continued

6. RIGHT-OF-USE ASSETS

	2022 RM	2021 RM
	Retail space	Retail space
Cost		
As at beginning of the financial year	766,611	331,654
Addition	97,412	434,957
As at end of the financial year	864,023	766,611
Accumulated depreciation		
As at beginning of the financial year	462,095	184,699
Depreciation charged for the financial year	220,552	277,396
As at end of the financial year	682,647	462,095
Carrying amount	181,376	304,516

The corresponding lease liabilities relating to the right-of-use assets is disclosed in Note 12.

7. RECEIVABLES

	2022 RM	2021 RM
<i>Non-current</i>		
Accrued unbilled rental income (a) (Note 5)	25,632,891	23,735,794
Less: Allowance for ECL (d)	1,124,347	(1,124,347)
Accrued unbilled rental income, net (a) (Note 5)	26,757,238	22,611,447
Accrued lease receivable (b)	608,976	1,283,554
Total	27,366,214	23,895,001
<i>Current</i>		
Trade receivables (c)	13,755,781	13,265,724
Less: Allowance for ECL (d)	(1,488,767)	(2,422,864)
Trade receivables, net	12,267,014	10,842,860
Accrued lease receivable (b)	2,216,848	1,532,729
Other receivables, deposits and prepayments	5,065,678	3,926,912
Total	19,549,540	16,302,501

- (a) Accrued unbilled rental income consist of unbilled incremental lease rental receivable from Mydin Mohamed Holdings Bhd ("Mydin")'s 30 years operating lease agreement commencing from 1 February 2016 and expiring 31 January 2046. Pursuant to the lease rental agreement dated 11 January 2016, the lease rental receivable from Mydin is incremental by 10% every 5 years from the commencement date of 1 February 2016 up to the term of 30 years. This uncancellable operating lease rental income is recognised on straight-line basis over the lease term of 30 years.

NOTES TO THE FINANCIAL STATEMENTS

continued

7. RECEIVABLES (CONTD.)

- (b) All leasing incentives for the new or renewed operating lease are recognised as a reduction of rental income over the lease term, on a straight-line basis. This represents the balance unamortised of the lease incentives arising from the fit-out costs and rent-free-period incentives given to lessee.
- (c) Included in trade receivables are rental outstanding from companies related to the Manager amounting to RM407,248 (2021: RM434,662) which are subject to normal trade terms.
- (d) The movement in allowance for ECL is as follow:

	2022 RM	2021 RM
As at beginning of the financial year	3,547,211	612,818
(Reversal)/charge during the financial year (Note 19)	(2,058,444)	2,934,393
As at end of the financial year	1,488,767	3,547,211

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 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 the Management. The Trust's trade receivables relate to a large number of diversified customers, and other than AmBank Group and Mydin Mohamed Holdings Bhd, there is no significant concentration of credit risk.

In view of the recent announcement made by the Malaysian government on the transition to the endemic phases, the Trust is anticipating improvement in business performance of tenants in tandem with the opening of all economic sectors. The Trust will closely monitor tenant's payment obligation and assess the ECL accordingly should tenant has demonstrated evident of financial distress in future. The ECL is computed based on estimated expected future cash flows as disclosed in Note 2.4g.

8. DEPOSITS WITH FINANCIAL INSTITUTION

	2022 RM	2021 RM
Placements with a licensed bank with original maturity of less than three months	1,518,697	2,487,993

The amount of RM1,518,697 (2021: RM2,487,993) has been pledged to a financial institution for a term loan facility and revolving credit facility of RM57.0 million (2021: RM57.0 million) and RM85.0 million (2021: RM85.0 million) respectively, as disclosed in Note 11. The entire deposits have been placed with a financial institution related to the Manager of the Trust as disclosed in Note 26.

Details of the interest rate and maturity of the deposits are disclosed in Note 28(ii).

9. RENTAL DEPOSITS

	2022 RM	2021 RM
<i>Non-current liabilities</i>		
Payable after 12 months	13,626,027	12,497,381
<i>Current liabilities</i>		
Payable within 12 months	11,862,641	14,702,562
	25,488,668	27,199,943

NOTES TO THE FINANCIAL STATEMENTS

continued

9. RENTAL DEPOSITS (CONTD.)

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

	2022 RM	2021 RM
<i>Non-current liabilities</i>		
Payable after 12 months	5,332,471	4,907,639
<i>Current liabilities</i>		
Payable within 12 months	6,075,181	6,731,070
	11,407,652	11,638,709

Other balances with companies related to the Manager are as disclosed in Note 26.

10. DEFERRED TAX LIABILITIES

	2022 RM	2021 RM
As at beginning of the financial year	2,069,098	2,421,029
Recognised in profit or loss (Note 20)	(833,087)	(351,931)
As at end of the financial year	1,236,011	2,069,098

The deferred tax liabilities relate to fair value gain of freehold land component within the investment properties which is expected to be recovered through sale.

Where investment properties are carried at fair value as disclosed in Note 5 to the financial statements, the amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets at their carrying amounts at the reporting date unless the property is held with the objective to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

The tax rate used was based on the Finance Act 2019, it was clarified that the RPGT rate of 10% is prescribed for disposal of investment properties held for more than 5 years for a trustee of a trust.

11. BORROWINGS

	2022 RM	2021 RM
<i>Current liabilities</i>		
Syndicated term loan	-	-
Revolving credit	118,100,000	118,100,000
Loan transaction costs subject to amortisation	(412,499)	(512,499)
	117,687,501	117,587,501
<i>Non-current liabilities</i>		
Term loan	307,850,000	307,850,000
Syndicated term loan	250,000,000	250,000,000
Revolving credit	140,000,000	140,000,000
Loan transaction costs subject to amortisation	(323,369)	(735,868)
	697,526,631	697,114,132
Total borrowings	815,214,132	814,701,633

NOTES TO THE FINANCIAL STATEMENTS

continued

11. BORROWINGS (CONTD.)

Term loan facilities

- (i) RM57.0 million (2021: RM57.0 million) secured by way of a lien holder caveat over Menara AmFIRST.
- (ii) RM85.85 million (2021: RM85.85 million) is secured by first party legal charge over Jaya 99.
- (iii) RM165.0 million (2021: RM165.0 million) is secured by way of first party legal charge over Menara AmBank.

Syndicated term loan

- (i) RM250.0 million (2021: RM250.0 million) is secured by first party legal charge over Mydin and Prima 10.

Revolving credit

- (i) RM4.0 million (2021: RM4.0 million) are secured by way of a lien holder caveat over Menara AmFIRST.
- (ii) RM85.0 million (2021: RM85.0 million) is secured by way of a lien holder caveat over Wisma AmFIRST.
- (iii) RM140.0 million (2021: RM140.0 million) is secured by way of a lien holder caveat over The Summit Subang USJ.
- (iv) RM60 million (2021: RM60 million) is secured by way of second party legal charge over Menara AmBank.

Bank overdraft

The Trust has an overdraft facility with drawdown limit of RM34 million (2021: RM34 million) with interest rate of 3.1% (2021: 3.1%), repayable on demand. The Trust overdraft balance as of 31 March 2022 is nil (2021: nil).

Details of the interest rate and maturity of the borrowings are disclosed in Note 28(ii).

Borrowings with companies related to the Manager of the Trust are disclosed in Note 26.

12. LEASE LIABILITIES

	2022 RM	2021 RM
	Retail space	Retail space
As at beginning of the financial year	322,713	150,870
Addition	97,412	434,441
Finance cost - interest charged during the year	13,520	18,790
Payment of lease liabilities	(244,968)	(281,388)
As at end of the financial year	188,677	322,713
<u>Lease liability maturity table</u>		
Within 1 year	165,586	182,691
One to two years	23,091	140,022
As at end of the financial year	188,677	322,713

The weighted-average incremental discounted borrowing rate used to recognise the lease liabilities was 3.5% per annum (2021: 3.5%). The finance cost is charged to statement of comprehensive income over the lease period based on a constant rate of interest on the remaining balance of the liability for each period.

There were no variable lease payments, leases with residual value guarantees, leases not yet commenced, restrictions or covenants imposed to which the Trust is committed.

NOTES TO THE FINANCIAL STATEMENTS

continued

12. LEASE LIABILITIES (CONTD.)

Lease liabilities analysed by undiscounted contractual payments are as follows:

	2022 RM	2021 RM
	Retail space	Retail space
Within 1 year	171,236	193,676
More than 1 year	24,192	144,258
As at end of the financial year	195,428	337,934

13. PAYABLES

	2022 RM	2021 RM
Trade payables	211,569	57,832
Loan interest and commitment fee payable	866,281	774,879
Accrued Manager's fee	551,077	564,076
Accrued Trustee's fee	27,133	27,454
Accrued property managers' fees and salaries	668,003	426,610
Accrued property expenses	4,883,604	3,573,770
Other payables and accruals	191,410	370,067
	7,399,077	5,794,688

14. UNITHOLDERS' FUNDS

Number of units in circulation:

	2022 Unit	2021 Unit
At 1 April/31 March	686,401,600	686,401,600

Issued and fully paid:

	2022 RM	2021 RM
At 1 April/31 March	636,624,829	636,624,829

NOTES TO THE FINANCIAL STATEMENTS

continued

14. UNITHOLDERS' FUNDS (CONTD.)

As at 31 March 2022, the Manager and all of the Directors of the Manager do not have any unitholding in the Trust. However, the parties related to the Manager held units in the Trust as follows:

	2022		2021	
	Number of units	Market value RM	Number of units	Market value RM
Unitholders of parties related to the Manager				
AmBank (M) Berhad	183,489,138	69,725,872	183,489,138	77,982,884
Yayasan Azman Hashim	77,947,353	29,619,994	77,947,353	33,127,625
AmMetLife Insurance Berhad on behalf of Life Fund	11,200,000	4,256,000	11,200,000	4,760,000
Azman bin Hashim	849,076	322,649	849,076	360,857
AmGroup Foundation	2,560	973	2,560	1,088

The market value is determined by multiplying the number of units with the market closing price of RM0.38 per unit as at 31 March 2022 (31 March 2021: RM0.425 per unit) as published in Bursa Malaysia.

15. REVENUE

	2022 RM	2021 RM
Rental income		
- Realised	94,346,849	101,159,781
- Unrealised (in relation to accrued unbilled rental income) (Note 22)	3,021,444	4,375,610
- Rental rebate given in relation to MCO	(3,116,977)	(4,161,892)
Car park income	5,317,297	5,852,457
Other income	78,128	77,103
Total revenue	99,646,741	107,303,059

The realised revenue comprises rental and service charges, car park income from properties and other miscellaneous recoverable from tenants. The unrealised revenue refers to the accrued unbilled rental income receivable pursuant to requirements of MFRS 16 Leases, recognised on straight-line basis.

In response to the significant economic disruption brought on by the COVID-19 pandemic and measures taken to contain its spread through Movement Control Order ("MCO") as implemented by the Government of Malaysia, the Trust has given rental rebates to help businesses and tenants to overcome this difficult period.

16. PROPERTY EXPENSES

Included in property expenses are the following:

	2022 RM	2021 RM
Property management fees and reimbursements*	4,571,688	4,553,343
Rates and assessment	5,507,882	6,005,350
Quit rent	477,528	441,423

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

NOTES TO THE FINANCIAL STATEMENTS

continued

17. MANAGER'S FEE

Pursuant to the Deed, the Manager is entitled to receive:

- (i) a base fee of up to 0.50% per annum of the total asset value of the Trust (excluding any taxes payable);
- (ii) a performance fee of up to 3.00% per annum of the net property income (excluding any taxes payable), accruing monthly, but before deduction of property management fees;
- (iii) an acquisition fee of 1.00% of the acquisition price of any asset of the Trust; and
- (iv) a divestment fee of 0.50% of the sale price of any Asset of the Trust.

The Manager's fee for the current financial year is RM6,808,456 (2021: RM7,087,725) which consists of a base fee of 0.30% (2021: 0.30%) per annum and performance fee of 2.90% (2021: 3.10%) per annum.

18. 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 RM328,580 (2021: RM335,940) is calculated based on 0.04% (2021: 0.04%) per annum on the net asset value.

19. OTHER EXPENSES

Included in other expenses are:

	2022 RM	2021 RM
(Reversal)/Allowance of ECL on (Note 7(d)):		
- Trade receivables	(934,097)	1,810,046
- Accrued lease receivable	(1,124,347)	1,124,347
	(2,058,444)	2,934,393
Professional fees	466,252	566,320
Printing and stationery	153,053	231,671
AGM expenses	59,808	108,919
Share registrar fees	86,097	87,278
Other trust expenses	29,191	76,098
	794,401	1,070,286
Total other expenses	(1,264,043)	4,004,679

20. TAXATION

	2022 RM	2021 RM
Current tax expense	-	-
Deferred tax relating to the origination and reversal temporary differences (Note 10)	(833,087)	(351,931)
	(833,087)	(351,931)

NOTES TO THE FINANCIAL STATEMENTS

continued

20. TAXATION (CONTD.)

Pursuant to the amendment of Section 61A of the Income Tax Act, 1967 under the Finance Act 2006 which was gazetted on 31 December 2006, where in the basis period for a year of assessment, 90% or more of the total income of the Trust is distributed to its Unitholders, the total income of the Trust for that year of assessment shall be exempted from tax.

Domestic current income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial year.

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

	2022 RM	2021 RM
Profit before taxation	4,512,066	2,372,892
Taxation at statutory tax rate of 24% (2021: 24%)	1,082,896	569,494
Effects of non-deductible expenses	2,299,378	2,901,179
Effect of fair value adjustment on investment properties not subject to tax	5,277,771	5,486,792
Effects of income exempted from tax	(8,660,045)	(8,957,465)
Deferred tax from origination of temporary difference	(833,087)	(351,931)
	(833,087)	(351,931)

21. EARNINGS PER UNIT

Earnings per unit (realised) after manager's fee is computed based on net realised income for the financial year divided by the weighted average number of units in circulation during the year.

	2022	2021
Net realised income for the financial year (RM)	22,184,834	21,513,349
Number of units in circulation during the financial year (units)	686,401,600	686,401,600
Basic earnings per unit after manager's fee (sen)	3.23	3.13

Earnings per unit before manager's fee is computed based on net realised income for the financial year after adding back manager's fee, divided by the weighted average number of units in circulation during the financial year.

	2022	2021
Net income for the financial year (RM)	22,184,834	21,513,349
Add back:		
Manager's fee (RM) (Note 17)	6,808,456	7,087,725
Net adjusted income for the financial year before manager's fee (RM)	28,993,290	28,601,074
Number of units in circulation during the financial year (units)	686,401,600	686,401,600
Basic earnings per unit before manager's fee (sen)	4.22	4.17

NOTES TO THE FINANCIAL STATEMENTS

continued

22. INCOME DISTRIBUTION

In respect of the current financial year ended 31 March 2022, the Manager had paid an interim income distribution of 1.09 sen per unit for the six-month financial period from 1 April 2021 to 30 September 2021 of RM7,481,779 and has proposed a final income distribution of 1.93 sen per unit for the six-month financial period from 1 October 2021 to 31 March 2022 of RM13,247,551 payable on 31 May 2022. The total distribution of RM20,729,328 in respect of the financial year ended 31 March 2022 is in line with the objectives of AmFIRST REIT to deliver regular and stable distributions to Unitholders.

In prior year ended 31 March 2021, the Manager had paid an interim income distribution of 1.40 sen per unit for the six-month financial period from 1 April 2020 to 30 September 2020 of RM9,609,622 and a final income distribution of 1.42 sen per unit were proposed and approved for payment for the six-month financial period from 1 October 2020 to 31 March 2021 amounting to RM9,746,900 to its Unitholders.

The total income distribution of 3.02 sen (2021: 2.82 sen) per unit for the financial year ended 31 March 2022 is from the following sources:

	2022 RM	2021 RM
Net revenue (Note 16)	99,646,741	107,303,059
Less: Unrealised gross revenue derived from accrued unbilled rental income recognised on straight-line method (Note 15)	(3,021,444)	(4,375,610)
Interest income	41,858	63,530
Other income	28,446	373,940
	96,695,601	103,364,919
Less: Expenses	(73,386,420)	(82,975,917)
Add: Impairment on accrued unbilled rental income (unrealised)	(1,124,347)	1,124,347
	22,184,834	21,513,349
Add: Undistributed income at beginning of the financial year	7,322,350	5,165,523
Total income available for distribution	29,507,184	26,678,872
Less: Undistributed income at end of the financial year	(8,777,856)	(7,322,350)
	20,729,328	19,356,522
Distribution per unit (sen)	3.02	2.82

The total income distributed during the financial year ended 31 March 2022 and 31 March 2021 were as follow:

FY2022 interim income distribution : 1.09 sen per unit (2021: 1.40 sen per unit)	7,481,779	9,609,622
FY2021 final income distribution : 1.42 sen per unit (2020: 1.49 sen per unit)	9,746,900	10,227,387
	17,228,679	19,837,009

23. PORTFOLIO TURNOVER RATIO

	2022	2021
Portfolio Turnover Ratio ("PTR") (Times)	-	-

The calculation of PTR is based on the average of the 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.

There was no acquisition nor disposal of investment in the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

continued

24. MANAGEMENT EXPENSE RATIO

	2022	2021
Management Expense Ratio ("MER") (%)	0.76	1.39

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.

25. COMMITMENTS

(a) Capital expenditure as at reporting date is as follows:

	2022 RM	2021 RM
<i>Approved but not contracted for:</i> Investment properties	533,659	1,210,000
<i>Approved and contracted for:</i> Investment properties	1,194,742	971,837

(b) Operating lease commitments - as lessors

AmFIRST REIT leases out its investment properties (Note 5) under operating leases. The future minimum lease receivable under non-cancellable leases are as follows:

	2022 RM	2021 RM
Not later than one year	61,457,687	90,652,428
Later than one year and not later than five years	132,513,700	157,106,622
Later than five years	471,577,218	393,549,692
	665,548,605	641,308,742

26. TRANSACTIONS AND BALANCES WITH THE COMPANIES RELATED TO THE MANAGER

Other than as disclosed in the respective notes, the other balances and transactions arising from transactions with companies related to the Manager as at end of the financial year include:

Transactions with companies related to the Manager:	2022 RM	2021 RM
Rental earned from AmBank Group	38,679,199	38,652,202
Interest earned from AmBank (M) Berhad	41,858	63,530
Finance cost paid to AmBank (M) Berhad	11,447,292	13,283,347
Loan facilities fees	49,621	100,000
Insurance premium paid to AmGeneral Insurance Berhad	584,962	591,107

NOTES TO THE FINANCIAL STATEMENTS

continued

26. TRANSACTIONS AND BALANCES WITH THE COMPANIES RELATED TO THE MANAGER (CONTD.)

Balances with companies related to the Manager:	2022 RM	2021 RM
AmBank Group		
Bank balances and deposits placed with AmBank (M) Berhad	3,804,004	2,776,696
Rental receivable from AmBank Group (Note 7(c))	407,248	434,662
Bank borrowings from AmBank (M) Berhad (Note 11)	355,100,000	355,100,000
Rental deposits received from the AmBank Group (Note 9)	11,407,652	11,638,709

The above transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

27. FINANCIAL INSTRUMENTS

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

Financial assets at amortised cost	Note
Receivables	(i)
Deposits with financial institution	(i)
Cash and bank balances	(i)
Financial liabilities at amortised cost	
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 amounts 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.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

AmFIRST REIT operates within clearly defined guidelines as set out in the SC's Listed REITs Guidelines. The SC's Listed 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

continued

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(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.

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:

	2022 RM	2021 RM
Financial assets:		
<i>Floating rate instrument</i>		
Deposits with financial institution	1,518,697	2,487,993
Financial liabilities:		
<i>Floating rate instrument</i>		
Term loan	307,353,898	306,601,633
Syndicated term loan	249,760,234	250,000,000
Revolving credit	258,100,000	258,100,000
	815,214,132	814,701,633

If the interest rates have been higher or lower and all other variables were held constant, the Trust's income for the following year would increase or (decrease) accordingly as a result from the Trust's exposure to interest rates on its rate borrowings which is not hedged. The Trust has performed the following interest rate sensitivity analysis to show the Trust's sensitivity to interest rates exposure:

	25 basis point Increase RM	25 basis point Decrease RM
2022		
Floating rate instruments	(2,039,875)	2,039,875
	(2,039,875)	2,039,875
2021		
Floating rate instruments	(2,039,875)	2,039,875
	(2,039,875)	2,039,875

NOTES TO THE FINANCIAL STATEMENTS

continued

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(ii) Effective interest rates and maturity

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	Maturity date	
			Within 1 year RM	> 1 - 5 years RM
2022				
Financial assets				
Deposits with financial institution	2.01	1,518,697	1,518,697	-
Financial liabilities				
Term loans	3.12	307,353,898	(350,033)	307,703,931
Syndicated term loan	3.32	249,760,234	(62,466)	249,822,700
Revolving credit facilities	3.11	258,100,000	118,100,000	140,000,000
2021				
Financial assets				
Deposits with financial institution	1.88	2,487,993	2,487,993	-
Financial liabilities				
Term loans	3.11	306,903,865	(450,033)	307,353,898
Syndicated term loan	3.32	249,697,768	(62,466)	249,760,234
Revolving credit facilities	3.11	258,100,000	118,100,000	140,000,000

(iii) Credit risk

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

As at the reporting date, other than the rental income earned from the AmBank Group and Mydin Mohamed Holdings Bhd which formed 59.8% (2021: 54.0%) of the total gross revenue or total gross receivables, 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.

NOTES TO THE FINANCIAL STATEMENTS

continued

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(iii) Credit risk (Contd.)

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

	Gross RM	Rental rebate RM	Net of rebate RM	Allowance for ECL RM	Net RM
2022					
Non-current					
Accrued unbilled rental income	25,632,891	-	25,632,891	1,124,347	26,757,238
Current					
Trade receivable					
Current	390,612	-	390,612	(9,908)	380,704
Past due 30 - 60 days	1,746,132	-	1,746,132	(52,508)	1,693,624
Past due 61 - 90 days	66,902	-	66,902	(13,728)	53,174
Past due more than 90 days	12,729,229	(1,177,094)	11,552,135	(1,412,623)	10,139,512
	14,932,875	(1,177,094)	13,755,781	(1,488,767)	12,267,014
2021					
Non-current					
Accrued unbilled rental income	23,735,794	-	23,735,794	-	23,735,794
Current					
Trade receivables					
Current	433,931	(95,842)	338,089	(9,068)	329,021
Past due 30 - 60 days	3,069,351	-	3,069,351	(95,983)	2,973,368
Past due 61 - 90 days	1,811,265	(75,723)	1,735,542	(74,837)	1,660,705
Past due more than 90 days	9,682,591	(1,559,849)	8,122,742	(2,242,976)	5,879,766
	14,997,138	(1,731,414)	13,265,724	(2,422,864)	10,842,860

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

continued

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(iv) Liquidity risk (Contd.)

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

	Within 1 year RM	> 1 - 5 years RM	Total RM
2022			
Rental deposits	11,862,641	13,626,027	25,488,668
Payables	31,717,513	34,506,537	66,224,050
Borrowings	118,100,000	697,850,000	815,950,000
Lease liabilities	171,236	24,192	195,428
Total financial liabilities	161,851,390	746,006,756	907,858,146
2021			
Rental deposits	14,915,505	13,335,952	28,251,457
Payables	28,977,173	56,790,313	85,767,486
Borrowings	118,100,000	697,850,000	815,950,000
Lease liabilities	193,676	144,258	337,934
Total financial liabilities	162,186,354	768,120,523	930,306,877

29. 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 ratio of the Trust. Under the Securities Commission Malaysia's Listed REITs Guidelines, the Trust is required to maintain a gearing not exceeding 50%. On 12 August 2020, the Securities Commission Malaysia announced that it will temporarily increase the gearing limit for Malaysian real estate investment trusts from 50% to 60% until 31 December 2022.

The gearing is calculated as gross borrowings divided by total assets value of the Trust. Gross borrowings refer to the gross interest-bearing borrowings as set out in Note 11.

	2022 RM	2021 RM
Total borrowings (Note 11)	815,214,132	814,701,633
Total assets	1,661,275,123	1,673,720,159
Gearing ratio (%)	49.1%	48.7%

Borrowings which are payable after twelve month from the reporting date represents 86% (2021: 86%) of total borrowings.

NOTES TO THE FINANCIAL STATEMENTS

continued

30. MATERIAL LITIGATION

(i) Legal Proceedings Instituted by Swan Property Sdn Bhd & 14 Others VS. The Summit Subang USJ Management Corporation and Maybank Trustees Berhad (as Trustee for AmFIRST Real Estate Investment Trust) by way of Kuala Lumpur High Court Suit No. WA-22NCC-82-02/2018 (“Kuala Lumpur Suit”)

On 28 February 2018, Swan Property Sdn Bhd and 14 others (the “Plaintiffs”) instituted legal proceedings against The Summit Subang USJ Management Corporation (the “MC”) (as the 1st Defendant) and the Trustee of AmFIRST REIT, Maybank Trustees Berhad, (“AmFIRST REIT Trustees”) (as the 2nd Defendant) in the Kuala Lumpur High Court vide Suit No. WA-22NCC-82-02/2018 (“Civil Suit”). The Plaintiffs claimed that the MC has breached certain statutory and fiduciary duties; and the MC and AmFIRST REIT’s Trustee have conspired to injure them in relation to a refurbishment and renovation exercise of the retail podium/shopping mall of The Summit Subang USJ.

By way of application dated 17 April 2018, AmFIRST REIT Trustees applied to the High Court to strike out the Plaintiffs’ claim (“Striking Out Application”).

The Striking Out Application was heard on 27, 29, 30 August 2018 and 10 October 2018 and subsequently fixed for decision on 12 December 2018.

Following the decision on 12 December 2018 (and a further clarification date on 18 January 2019), the High Court’s decision in respect of Striking Out Application are as follows:

- (a) The Plaintiffs’ claims (except the 5th Plaintiff) against AmFIRST REIT Trustees are stayed pending the disposal of related claims currently pending in the Strata Management Tribunal between the Plaintiffs and the MC (“SMT Proceedings”); and
- (b) The 5th Plaintiff’s claim against AmFIRST REIT Trustees is struck out.

The Plaintiffs have since appealed against the decision of the Striking Out Application to the Court of Appeal (“Appeal”). The Appeal was heard on 26 October 2021 and was dismissed with cost on 9 December 2021.

The 2nd Plaintiff, Looi Seow Leng, subsequently filed an application to the Federal Court for leave to appeal against the dismissal of the Appeal (“Leave Application”) on 7 January 2022. The Notice of Motion and Affidavit in Support was served on the Respondents on 19 January 2022. The Respondents have filed their Affidavit in Reply and the Notice of Change of Solicitors on 31 January 2022. The Affidavit in Reply was served on the Applicant on 4 February 2022. The Leave Application is fixed for case management before the Federal Court on 25 February 2022.

In the meantime, the Civil Suit before the High Court is struck out on 3 March 2022 with liberty to be reinstated subject to the decision of the Federal Court ordering for remittance to the High Court.

The Federal Court on 25 February 2022 during the case management directed that the appeal has been fixed for an online hearing on 20 June 2022. Both parties will have to file written submissions, bundle of authorities, common core bundles, executive case summary before 3 June 2022. The next case management is fixed on 7 June 2022.

(ii) Shah Alam High Court Originating Summons (“OS”) between Ho Phoy Kwang & Ho Phoy Chuin (“Plaintiffs”) and The Summit Subang USJ Management Corporation (“Defendant”)

On 30 April 2021, the Plaintiffs filed the aforesaid OS against the Defendant seeking inter alia the following reliefs:

- (a) A declaration that any proposed resolution determining different rates of maintenance charges for different parcels in the commercial building known as The Summit Subang USJ (“The Summit”) passed at any Annual General Meetings or Extraordinary General Meeting convened before the judgment of the Court, is ultra vires the Strata Titles Act 1985 (“STA”) and Strata Management Act 2013 (“SMA”), unlawful, null and void ab initio.

NOTES TO THE FINANCIAL STATEMENTS

continued

30. MATERIAL LITIGATION (CONTD.)

(ii) **Shah Alam High Court Originating Summons (“OS”) between Ho Phoy Kwang & Ho Phoy Chuin (“Plaintiffs”) and The Summit Subang USJ Management Corporation (“Defendant”) (Contd.)**

- (b) A declaration that a single maintenance charge rate per share unit per month be imposed in proportion to the allocated share units for each parcel in The Summit for each respective management periods from 1 January 2013 to 31 August 2018, 1 September 2018 to 31 August 2019, 1 September 2019 to 30 September 2020, 1 October 2020 to 31 October 2020 and between 1 November 2020 until the date before the next management period commences.
- (c) An order under Section 76 of the SMA that an administrator for Defendant be appointed for a fixed period of time.

On 12 July 2021, the Defendant filed an application to convert the OS into a Writ action (“Conversion of OS to Writ”).

On 7 September 2021, Maybank Trustees Berhad as Trustee of AmFIRST REIT (“MTB”) filed an application to intervene in the OS and be added as the 2nd Defendant.

On 17 September 2021, a group of owners in The Summit known as Swan Properties Sdn Bhd & 13 others (“Swan Property Group”) filed an application to intervene in the OS and be added as Plaintiffs.

On 8 December 2021, the Shah Alam High Court allowed MTB’s application to intervene and be added as the 2nd Defendant in the OS and allowed the Swan Property Group to be added as Plaintiffs.

On 21 December 2021, an application was filed to add MTB in as a party to the Conversion of the OS to a Writ.

On 26 April 2022, the High Court has dismissed the Defendant’s application for the Conversion of the OS to Writ. The Case Management for the OS has now been fixed for 14 May 2022.

31. OPERATING SEGMENT

The key objective of the Trust is to own and invest in real estate, whether directly or indirectly, through the ownership of single-purpose companies whose principal assets comprise real estate and real estate-related assets. The investment properties owned by the Trust are similar in terms of economic characteristic and nature of services. Therefore, the Manager of the Trust are of the view that there is only one operating segment, namely leasing of investment properties.

The statement of financial position and statement of comprehensive income as presented in this financial statements forms the operating segment information for the business of leasing of investment properties. Hence, no other operating segment information has been prepared.

There are no geographical segment information as all the investment properties of the Trust are located in Malaysia.

STATEMENT BY THE DIRECTORS OF THE MANAGER

We, Soo Kim Wai and Raja Nazirin Shah bin Raja Mohamad 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 119 to 159 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 2022 and of the results and the cash flows of the Trust for the financial year then ended.

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

SOO KIM WAI

RAJA NAZIRIN SHAH BIN RAJA MOHAMAD

Kuala Lumpur, Malaysia
26 April 2022

STATUTORY DECLARATION

I, Chong Hong Chuon, being the officer primarily responsible for the financial management of AmFIRST Real Estate Investment Trust, do solemnly and sincerely declare that the financial statements set out on pages 119 to 159 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.

CHONG HONG CHUON
(MIA 18174)
Chief Financial Officer

SUBSCRIBED AND SOLEMNLY DECLARED by the abovenamed Chong Hong Chuon, at Kuala Lumpur, Malaysia on 26 April 2022.

Before me:

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 ("Trust") for the financial year ended 31 March 2022. To the best of our knowledge, AmREIT Managers Sdn Bhd ("Management Company") 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 Listed Real Estate Investment Trusts, the Capital Markets and Services Act 2007 and other applicable laws during the financial year ended 31 March 2022.

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 2022 are in line with and are reflective of the objectives of the Trust.

For Maybank Trustees Berhad

NORHAZLIANA BINTI MOHAMMED HASHIM

Head, Unit Trust and Corporate Operations

Kuala Lumpur, Malaysia

26 April 2022

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AmFIRST REAL ESTATE INVESTMENT TRUST

Report on the audit of the financial statements

Opinion

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 2022, 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 119 to 159.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Trust as at 31 March 2022, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Trust in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Trust for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Trust as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Valuation of investment properties

As at 31 March 2022, the carrying amount of the Trust's investment properties amounted to RM1,608,746,762 which represents 97% of the Trust's total assets. The Trust adopts the fair value model for its investment properties. The valuation of investment properties is significant to our audit due to their magnitude, complex valuation method and high dependency on a range of estimates (amongst others, rental income data and yield rate) which are based on current and future market or economic conditions, including COVID-19 considerations. The Trust had engaged an external valuer to determine the fair value of the investment properties at the reporting date.

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF AmFIRST REAL ESTATE INVESTMENT TRUST

continued

Report on the audit of the financial statements (Contd.)

Key audit matters (Contd.)

Valuation of investment properties (Contd.)

Our audit procedures focused on the valuations performed by firms of independent valuers, which included, amongst others, the following procedures:

- We considered the objectivity, independence and expertise of the firms of independent valuers;
- We obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;
- We had discussions with the independent valuers to obtain an understanding of the property related data used as input to the valuation models which included, amongst others, rental income data, yield rate and discount rate;
- We have assessed the reasonableness of the property data used in the valuation to available market data;
- We tested the accuracy of rental income data applied in the valuation by comparing them with lease agreements and challenged significant key inputs and assumptions adopted; and
- We also evaluated the Trust's disclosures on those assumptions to which the outcome of the valuation is most sensitive. The Trust's disclosures on the valuation sensitivity and significant assumptions used are included in Notes 4.2a and 5 to the financial statements.

Information other than the financial statements and auditors' report thereon

The Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Trust and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Trust does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Trust, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Trust or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Manager and take appropriate action.

Responsibilities of the Manager and Trustee for the financial statements

The Manager is responsible for the preparation of financial statements of the Trust that 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 determines is necessary to enable the preparation of financial statements of the Trust 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 true and fair presentation of these financial statements.

In preparing the financial statements of the Trust, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF AmFIRST REAL ESTATE INVESTMENT TRUST

continued

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Trust as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Trust, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Trust or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Trust, including the disclosures, and whether the financial statements of the Trust represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors of the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors of the Manager, we determine those matters that were of most significance in the audit of the financial statements of the Trust for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF AmFIRST REAL ESTATE INVESTMENT TRUST

continued

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 PLT
202006000003 (LLP0022760-LCA) & AF 0039

Lee Pei Yin
No. 03189/05/2021 J
Chartered Accountant

Chartered Accountants

Kuala Lumpur, Malaysia
26 April 2022

ANALYSIS OF UNITHOLDERS

Thirty (30) Largest Unitholders As at 10 May 2022

No.	Names	No. of Holdings	% of Holding
1.	AmBank (M) Berhad ¹	183,489,138	26.7
2.	Yayasan Azman Hashim ¹	77,947,353	11.4
3.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	33,155,600	4.8
4.	Maybank Nominees (Tempatan) Sdn Bhd MTrustee Berhad for AmMetLife Insurance Berhad (FM-AMAB-LF)(419501)	11,200,000	1.6
5.	DFN Resources Sdn Bhd	7,142,900	1.0
6.	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt an for DBS Bank Ltd (SFS)	5,406,000	0.8
7.	Lim Soon Huat	5,122,272	0.7
8.	Seng Siaw Wei	5,000,000	0.7
9.	Tan Kim Chuan	4,498,100	0.7
10.	AMSEC Nominees (Tempatan) Sdn Bhd AmBank (M) Berhad for Ng Bee Lan	4,400,000	0.6
11.	CGS-CIMB Nominees (Asing) Sdn Bhd Exempt an for CGS-CIMB Securities (Singapore) Pte. Lte. (Retail Clients)	3,666,393	0.5
12.	Lim Kew Seng	2,315,080	0.3
13.	Oh Eng Cheng	2,165,000	0.3
14.	Tew Peng Hwee @ Teoh Peng Hwee	2,130,000	0.3
15.	Kenanga Nominees (Asing) Sdn Bhd Exempt an for Phillip Securities Pte Ltd (Client Account)	2,109,607	0.3
16.	Radhakrishnan A/L Menon	2,050,000	0.3
17.	Yeow Ewe Chuan	2,000,000	0.3
18.	Ong Ah How @ Ong Beng Hwa	1,885,000	0.3
19.	Yap Ah Kau @ Yeap Chan Tooi	1,860,000	0.3
20.	Wong Soh Har @ Wong Yin Teck	1,850,000	0.3
21.	Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA International Real Estate Securities Portfolio of DFA Investment Dimensions Group Inc	1,788,940	0.3
22.	Wing Kwong @ Chan Wing Kwong	1,661,424	0.2
23.	Chan Chor Yook	1,635,000	0.2
24.	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Liew Sun Yick	1,538,645	0.2
25.	Koh Song Leang	1,525,000	0.2
26.	Tan Teck Peng	1,450,000	0.2
27.	Abdul Rahim Bin Bidin	1,407,100	0.2
28.	Boon Hin Pow	1,299,900	0.2
29.	Lucky Star Pte. Ltd.	1,257,600	0.2
30.	Ong Mor See	1,240,955	0.2
Total		374,197,007	54.3

(1) Substantial Unitholders (more than 5% of the unit in circulation).

ANALYSIS OF UNITHOLDERS

continued

Distribution Schedule of Unit As at 10 May 2022

Category	No. of Unitholders	No. of Holdings	% of Holdings
Less than 100	816	25,161	0.0
100 to 1,000	3,172	1,969,501	0.3
1,001 to 10,000	5,257	23,618,942	3.4
10,001 to 100,000	3,064	104,209,169	15.2
100,001 to less than 5% of the issued units	681	295,142,336	43.0
5% and above the issued units	2	261,436,491	38.1
Total	12,992	686,401,600	100.0

Classification of Unitholders As at 10 May 2022

Category of Unitholders	No. of Unitholders		No. of Holdings		% of Holdings	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
1. Individuals	10,594	176	268,614,283	8,043,338	39.1	1.2
2. Body Corporate						
a. Banks / Finance / Companies	6	-	183,996,618	-	26.8	-
b. Investment Trusts / Foundation / Charities	3	-	78,291,661	-	11.4	-
c. Industrial and Commercial Companies	136	6	16,243,023	1,570,209	2.4	0.2
3. Government Agencies / Institutions	1	-	11,421	-	-	-
4. Nominees	1,981	89	111,082,648	18,548,399	16.2	2.7
Total	12,721	271	658,239,654	28,161,946	95.9	4.1

Breakdown of Unit Holding As at 10 May 2022

Category	No. of Unitholders	No. of Holdings
5,000 and below	7,614	11,974,977
5,001 to 10,000	1,631	13,638,627
10,001 to 50,000	2,517	63,190,808
50,001 to 500,000	1,112	158,157,590
500,001 and above	118	439,439,598
Total	12,992	686,401,600

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Soo Kim Wai

Chairman
Non-Independent Non-Executive Director

Y Bhg Dato' Wong Nam Loong

Independent Non-Executive Director

Y Bhg Dato' Abdullah Thalith bin Md Thani

Independent Non-Executive Director

Encik Azlan Baqee bin Abdullah

Non-Independent Non-Executive Director

Mr Christopher Yap Huey Wen

Non-Independent Non-Executive Director

YM Raja Nazirin Shah bin Raja Mohamad

Executive Director

AUDIT AND EXAMINATION COMMITTEE

Y Bhg Dato' Wong Nam Loong

Chairman
Independent Non-Executive Director

Y Bhg Dato' Abdullah Thalith bin Md Thani

Independent Non-Executive Director

Mr Soo Kim Wai

Non-Independent Non-Executive Director

MANAGER

AmREIT Managers Sdn Bhd

Registration No. 200601011214 (730964-X)

Registered Office

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

Business Address

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

TRUSTEE

Maybank Trustees Berhad

Registration No. 196301000109
(5004-P)
8th Floor, Menara Maybank 100,
Jalan Tun Perak 50050 Kuala Lumpur,
Malaysia
Telephone No. : 603-2078 8363
Facsimile No. : 603-2070 9387

COMPANY SECRETARIES

Ms Chan Sau Leng

(MAICSA 7012211)
(SSM PC No. 202008002709)

Ms Ruzeti Emar binti Mohd Rosli

(LS0010372)
(SSM PC No. 202008000974)

Boardroom Corporate Services Sdn Bhd

Registration No. 196001000110 (3775-X)
12th Floor, Menara Symphony,
No. 5 Jalan Prof. Khoo Kay Kim,
Seksyen 13 46200 Petaling Jaya,
Selangor, Malaysia
Telephone No. : 603-7890 4800
Facsimile No. : 603-7890 4650

PROPERTY MANAGERS

Savills (KL) Sdn Bhd

Registration No. 200201020030 (587693-W)
Level 9, Menara Milenium
Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur, Malaysia
Telephone No. : 603-2092 5955
Facsimile No. : 603-2092 5966

Knight Frank Property Management Sdn Bhd

Registration No. 201601040834 (1211775-H)
Suite 10.01, Level 10 Centrepoint South
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia
Telephone No. : 603-2289 9688
Facsimile No. : 603-2289 9788

Rahim & Co International Sdn Bhd

Registration No. 201501001265 (1126597-X)
Level 17, Menara Liberty
1008, Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
Telephone No. : 603-2691 9922
Facsimile No. : 603-2691 9992

AUDITORS

Ernst & Young PLT

[202006000003 (LLP0022760-LCA) & AF0039]
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia
Telephone No. : 603-7495 8000
Facsimile No. : 603-2095 5332

TAX ADVISER

PricewaterhouseCoopers Taxation Services Sdn Bhd

Registration No. 199801008604 (464731-M)
Level 10, 1 Sentral Jalan Rakyat
Kuala Lumpur Sentral
P.O. Box 10192
50706 Kuala Lumpur, Malaysia
Telephone No. : 603-2173 1188
Facsimile No. : 603-2173 1288

PRINCIPAL BANKERS

AmBank (M) Berhad

Registration No. 196901000166
(8515-D)
(A Member of AmBank Group)
22nd Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50250 Kuala Lumpur, Malaysia
Telephone No. : 603-2036 2633
Facsimile No. : 603-2072 8439

Public Bank Berhad

Registration No. 196501000672
(6463-H)
Menara Public Bank
146, Jalan Ampang
50450 Kuala Lumpur, Malaysia
Telephone No. : 603-2163 8888/8899
Facsimile No. : 603-2163 9917

Malayan Banking Berhad

Registration No. 196001000142 (3813-K)
Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur, Malaysia
Telephone No. : 603-2070 8833
Facsimile No. : 603-2715 9442

REGISTRAR

Boardroom Share Registrars Sdn Bhd

Registration No. 199601006647 (378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13 46200 Petaling Jaya
Selangor, Malaysia
Telephone No. : +603-7890 4700
Facsimile No. : +603-7890 4670

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia

Stock Name : AmFIRST
Stock Code : 5120

AmFIRST REAL ESTATE INVESTMENT TRUST

[Established in Malaysia under the 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”), the Second Restated Deed dated 13 September 2013 (“Second Deed”) and the Third Restated Deed dated 12 June 2020 (“Third Deed” or the “Deed”)) entered into between AmREIT Managers Sdn Bhd and Maybank Trustees Berhad, companies incorporated under the Companies Act, 1965]

NOTICE OF THE TENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Tenth Annual General Meeting (“10th AGM”) of the Unitholders of AmFIRST Real Estate Investment Trust (“AmFIRST REIT”) will be conducted on a fully virtual basis through live streaming and online voting via Remote Participation Electronic Voting (“RPEV”) facilities for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice.

Meeting Platform : <https://meeting.boardroomlimited.my>
(Domain Registration No. with MYNIC - D6A357657)

Day and Date : Thursday, 21 July 2022

Time : 10:00 a.m.

Meeting Venue : 12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2022 of AmFIRST REIT together with the Reports of the Trustee and Auditors thereon.

AS SPECIAL BUSINESS

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

2. **PROPOSED AUTHORITY TO ALLOT AND ISSUE NEW UNITS PURSUANT TO PARAGRAPH 6.59 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“PROPOSED AUTHORITY”)**

**ORDINARY
RESOLUTION NO. 1**

“THAT pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant regulatory authorities, where such approval is required, authority be and is hereby given to the Board of Directors of AmREIT Managers Sdn Bhd (the “Manager”) (the “Directors”) to allot and issue new units in AmFIRST REIT (“New Units”) from time to time to such persons and for such purposes as the Directors may in their absolute discretion deem fit and in the best interest of AmFIRST REIT and its Unitholders, provided that the aggregate number of New Units issued, when aggregated with the number of Units in AmFIRST REIT to be issued pursuant to this resolution during the preceding twelve (12) months, does not exceed 20% of the total number of units issued of AmFIRST REIT:

AND THAT the Proposed Authority shall be effective and continue to be in force from the date of receipt of all relevant authorities’ approval or the date the Unitholders pass this resolution, whichever may be the later, until:

- (a) the conclusion of the next AGM of the Unitholders at which time it shall lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Unitholders is required by law to be held; or
- (c) the Proposed Authority is revoked or varied by the Unitholders in a Unitholders’ meeting;

Whichever occurs first;

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 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 of AmFIRST REIT and to deal with all matters relating thereto;

AND FURTHER THAT authority be and is hereby given to the Director and the Trustee, acting for and on behalf of AmFIRST REIT, to give effect to take all such steps and do all acts, deeds and things in any manner (including execute such documents as may be required) as they may deem necessary or expedient to implement, finalise, complete and to give full effect to the Proposed Authority.”

NOTICE OF THE TENTH ANNUAL GENERAL MEETING

continued

By Order of the Board of

AmREIT MANAGERS SDN. BHD.

Registration No. 200601011214 (730964-X)

The Manager of AmFIRST Real Estate Investment Trust

Chan Sau Leng (MAICSA 7012211) (SSM PC No.: 202008002709)

Ruzeti Emar binti Mohd Rosli (LS0010372) (SSM PC No.: 202008000974)

Company Secretaries

Kuala Lumpur

31 May 2022

EXPLANATORY NOTES:

(A) Audited Financial Statements

This Agenda item is meant for discussion only and does not require a formal approval of the Unitholders. Hence, this item is not put forward for voting.

(B) Ordinary Resolution No. 1 – Proposed Authority to Allot and Issue New Units Pursuant to Paragraph 6.59 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Ordinary Resolution No. 1, if passed, will give the Directors, from the date of the forthcoming AGM, authority to allot and issue up to twenty percent (20%) of the existing total number of units issued 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.

NOTES:

1. Precautionary measures against Coronavirus disease 2019 (COVID-19) pandemic

- (i) In light of the ongoing COVID-19 pandemic and having regard to the safety and well-being of our Unitholders, Board of Directors, employees, third parties and other stakeholders who will attend the 10th AGM, the 10th AGM will be conducted via RPEV facilities through live streaming and online voting using RPEV facilities by registering online with Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please follow the procedures provided in the Administrative Guide for the 10th AGM in order to register, participate and vote remotely via the RPEV facilities.
- (ii) With RPEV facilities, a Unitholder may exercise his/her right to participate (including to pose questions to the Directors) and vote at the 10th AGM, at the comfort of your home/office. Unitholders may use the query box facility to submit questions real time during the AGM.
- (iii) The online meeting platform of Lumi AGM via <https://meeting.boardroomlimited.my> provided by Boardroom Share Registrars Sdn. Bhd. at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia shall be recognised as the meeting venue under Section 327(2) of the Companies Act 2016, where the Chairman of the Meeting is deemed present at the main venue in Malaysia. For the avoidance of doubt, there will not be a Broadcast Venue. The meeting venue of the 10th AGM is strictly for the purpose of observing the requirement where it entails the Chairman of the Meeting to be at the main venue (meeting venue). No Unitholders/Proxy(ies) from the public will be physically present at the meeting venue.
- (iv) Due to the uncertainty of COVID-19 pandemic situation in Malaysia, we may be required to change the arrangements of our 10th AGM at short notice. Kindly check the website or announcements of AmFIRST REIT for the latest updates on the status of the 10th AGM.

NOTICE OF THE TENTH ANNUAL GENERAL MEETING

continued

2. Proxy

- (i) Since the 10th AGM will be conducted fully virtual via RPEV, if a Unitholder entitled to attend and vote at a meeting is not able to participate the AGM on 21 July 2022, in accordance with established practices, we encourage the Unitholders to appoint the Chairman of the meeting as his/her Proxy and indicate the voting instructions in the instrument appointing a Proxy (Proxy Form).
- (ii) A Unitholder entitled to attend and vote at the 10th 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 10th AGM shall have the same rights as the Unitholder to speak at the AGM.
- (iii) 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 the Unitholder specifies the proportions of its holdings to be represented by each proxy in the Form of Proxy
- (iv) 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 Proxy Form shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney. An instrument appointing a Proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.
- (v) 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.
- (vi) Where a Unitholder is an exempt authorised nominee who holds units in AmFIRST REIT for multiple beneficial owners in one (1) 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.
- (vii) The appointment of Proxy may be made in a hardcopy form or by electronic means as follows:

In Hardcopy Form

The Hardcopy Proxy Form shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney. An instrument appointing a Proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor. The Proxy Form shall be deposited at the office of the Share Registrar of AmFIRST REIT at Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia no later than forty-eight (48) hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote, and in default the Proxy Form shall not be treated as valid.

By Electronic Means

The Proxy Form may be submitted:

- (a) to the Share Registrar of AmFIRST REIT, Boardroom Share Registrars Sdn Bhd via email to bsr.helpdesk@boardroomlimited.com, no later than forty-eight (48) hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) via electronic means ("e-Proxy") through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> by logging in and selecting "Submit eProxy form" under "AmFIRST REAL ESTATE INVESTMENT TRUST 10TH ANNUAL GENERAL MEETING" from the list of Corporate Meetings no later than forty-eight (48) hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote, (please refer to the Annexure to the Proxy Form for further information on submission via e-Proxy).

3. Unitholders entitled to participate and vote

For the purposes of determining a Unitholder who shall be entitled to participate and vote at the 10th AGM, AmFIRST REIT shall be requesting from Bursa Malaysia Depository Sdn. Bhd., to issue a General Meeting Record of Depositors as at 14 July 2022. In respect of the deposited securities, only Unitholders whose names appear in the Record of Depositors of AmFIRST REIT on 14 July 2022 shall be entitled to participate and vote at the 10th AGM or appoint the Chairman of the Meeting as Proxy to participate and vote on such depositor's behalf.

4. Registration of Unitholders/Proxies

Registration of Unitholders/Proxies is opened from 5:00 p.m. Tuesday, 31 May 2022 up to 10:00 a.m. Tuesday, 19 July 2022. Please follow the procedures provided in the Administrative Guide for the 10th AGM in order to register, participate and vote remotely via RPEV facilities.

5. Voting

Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all resolutions set out in the Notice of the 10th AGM will be put to vote by poll. Poll Administrator and Independent Scrutineer will be appointed to conduct the poll via e-voting process and to verify the poll results.

Upon completion of the voting session for the 10th AGM, the Independent Scrutineer will verify and announce the poll results followed by the Chairman of the meeting's declaration whether the resolutions are duly passed.

6. Personal Data Privacy

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the Unitholder has consented to the use of such data for purposes of processing and administration by AmFIRST REIT (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The Unitholder agrees that he/she will indemnify AmFIRST REIT in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the Unitholder's breach of warranty.

AmFIRST REAL ESTATE INVESTMENT TRUST

[Established in Malaysia under the 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”), the Second Restated Deed dated 13 September 2013 (“Second Deed”) and the Third Restated Deed dated 12 June 2020 (“Third Deed” or the “Deed”)) entered into between AmREIT Managers Sdn Bhd and Maybank Trustees Berhad, companies incorporated under the Companies Act, 1965]

**ADMINISTRATIVE GUIDE FOR THE TENTH ANNUAL GENERAL MEETING
OF THE UNITHOLDERS OF AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)**

Meeting Platform	:	https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657)
Day and Date	:	Thursday, 21 July 2022
Time	:	10:00 a.m.
Meeting Venue	:	12th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan, Malaysia

Dear Unitholders,

As a precautionary measure amidst the ongoing COVID-19 pandemic, the forthcoming Tenth Annual General Meeting (“10th AGM”) of AmFIRST REIT will be conducted fully virtual via the Meeting Platform, as the safety and well-being of our Unitholders, Board of Directors, employees, third parties and other stakeholders who will attend the 10th AGM is of paramount importance to us.

In line with the Malaysian Code on Corporate Governance Practice 13.3, by conducting a fully virtual AGM, this would facilitate greater Unitholders’ participation as it facilitates Remote Participation Electronic Voting (“RPEV”) virtually. With the RPEV facilities, you may exercise your rights as a Unitholder to participate (including to pose questions to the Board of Directors of the Manager) and vote at the 10th AGM. Alternatively, you may also appoint the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 10th AGM.

Kindly ensure that you are connected to the internet at all times in order to participate and vote when the fully virtual 10th AGM has commenced. Therefore, it is your responsibility to ensure that connectivity for the duration of the meeting is maintained. Kindly note that the quality of the live webcast is dependent on the bandwidth and stability of the internet connection at the locations of the remote participants.

Digital Copies of Annual General Meeting Documents

As part of our commitment to reduce paper usage, the following documents are available on our website:

1. Annual Report 2022 at <https://ir2.chartnexus.com/amfirstreit/reports.php>
2. Notice of the 10th AGM, Form of Proxy and Administrative Guide at <https://ir2.chartnexus.com/amfirstreit/agm.php>

Should you require a printed copy of the above documents, you may submit your request through telephone/email to us or our service provider at the number/email address provided in the enquiry section of this document. Any request for the printed documents would be forwarded to the requestor within seven (7) market days or from the date of receipt of the verbal or written request, whichever is later.

Meeting Venue

Unitholders are not allowed to participate in the 10th AGM at the Meeting Venue as the venue is only meant to facilitate the conduct of the fully virtual 10th AGM. Unitholders who turn up at the Meeting Venue would be requested to leave the venue.

ADMINISTRATIVE GUIDE FOR THE TENTH ANNUAL GENERAL MEETING

Entitlement to Participate at the 10th AGM

In respect of deposited securities, only Unitholders whose names appear on the Record of Depositors on 14 July 2022 (General Meeting Record of Depositors) shall be eligible to participate at the 10th AGM or appoint proxy(ies) to participate and vote on his/her behalf.

Proxy Form

Unitholders are encouraged to go online, participate, and vote at the 10th AGM using remote participation and electronic voting facilities. If you are not able to participate, you can appoint the Chairman of the meeting as your proxy and indicate the voting instructions in the Proxy Form.

You may download the Proxy Form from our website at <https://ir2.chartnexus.com/amfirstreit/agm.php>.

Please ensure that the original Proxy Form is deposited at our Share Registrar's office at Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting. Details of our Share Registrar's office can be found in the enquiry section of this document.

Alternatively, you may deposit your Proxy Form by electronic means through Boardroom Smart Investor Portal ("BSIP") at <https://investor.boardroomlimited.com> to login and deposit your Proxy Form electronically, also forty-eight (48) hours before the meeting.

Revocation of Proxy

If you have submitted your Proxy Form and subsequently decide to appoint another person or wish to participate in our fully virtual 10th AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before the meeting.

Voting Procedure

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

Steps for registration for remote participation and electronic voting

Procedure	Action
Before the day of the AGM	
1 Register online with Boardroom Smart Investor Portal ("BSIP")	<p><i>[Note: If you have already signed up with BSIP, you are not required to register. You may proceed to Step 2.]</i></p> <ol style="list-style-type: none"> Access BSIP at https://investor.boardroomlimited.com Click "Register" to sign up as a user. Complete registration and upload softcopy of MyKad (front and back) or Passport in JPEG, PNG, or PDF format. You will receive an email from BSIP for email address verification. Click "Verify Email Address" to proceed with the registration. Once your email address is verified, you will be re-directed to BSIP for verification of your mobile number. Click "Request OTP Code" and an OTP code will be sent to the registered mobile number. Click "Enter" to enter the OTP code to complete the process. Your registration will be verified and approved within one (1) business day and an email notification will be provided. You can login to BSIP at https://investor.boardroomlimited.com with the email address and password that you have provided during the registration to proceed with the next step.

ADMINISTRATIVE GUIDE FOR THE TENTH ANNUAL GENERAL MEETING

continued

Procedure	Action
Before the day of the AGM (Contd.)	
<p>2 Submit request for Remote Participation</p>	<p>Registration for remote access will be opened at 5:00 p.m. on Tuesday, 31 May 2022. Please note that the closing time to submit your request is at 10:00 a.m. on Tuesday, 19 July 2022 (forty-eight (48) hours before the commencement of the 10th AGM).</p> <p>Individual Unitholders</p> <ol style="list-style-type: none"> Access BSIP at https://investor.boardroomlimited.com using your User ID (registered email address) and Password. Select “AmFIRST REAL ESTATE INVESTMENT TRUST 10TH ANNUAL GENERAL MEETING” from the list of Corporate Meetings and click “Enter”. Click on “Register for RPEV”. Read and accept the General Terms and Conditions by clicking “Next”. Enter your CDS Account Number and thereafter submit your request. <p>e-Proxy Lodgment – Individual Unitholders</p> <ol style="list-style-type: none"> Access BSIP at https://investor.boardroomlimited.com using your User ID (registered email address) and Password. Select “AmFIRST REAL ESTATE INVESTMENT TRUST 10TH ANNUAL GENERAL MEETING” from the list of Corporate Meetings and click “Enter”. Click on “Submit e-Proxy Form”. Read and accept the General Terms and Conditions by clicking “Next”. Enter your CDS Account Number and indicate the number of securities. Appoint your proxy(ies) or the Chairman of the Meeting, and enter the required particulars for your proxy(ies). Indicate your voting instructions – FOR or AGAINST or ABSTAIN. If you wish to have your proxy(ies) to act upon his/her discretion, please indicate DISCRETIONARY. Review and confirm your proxy(ies) appointment. Click “Apply”. Download or print the e-Proxy Form acknowledgement. <p>Corporate Unitholders, Authorised Nominee and Exempt Authorised Nominee</p> <ol style="list-style-type: none"> Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy to submit the request. Please provide a copy of Corporate Representative’s MyKad (front and back) or Passport in JPEG, PNG, or PDF as well as his/her email address.

ADMINISTRATIVE GUIDE FOR THE TENTH ANNUAL GENERAL MEETING

continued

Procedure	Action
Before the day of the AGM (Contd.)	
<p>3 Email Notification</p>	<p>a. You will receive notification(s) from Boardroom that your request(s) has/have been received and is/are being verified.</p> <p>b. Upon system verification against the General Meeting Record of Depositories as at 14 July 2022, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.</p> <p>c. If your registration for remote participation is approved, you will receive an email notification from Boardroom with the Meeting ID together with your remote access user ID and password.</p>
On the day of the AGM	
<p>4 Login to Meeting Platform</p>	<p>a. The Meeting Platform will be opened for login one (1) hour before the commencement of the 10th AGM.</p> <p>b. The Meeting Platform can be accessed via one of the following:</p> <ul style="list-style-type: none"> ▶ Scan the QR Code provided in the email notification; ▶ Navigate to the website at: https://meeting.boardroomlimited.my <p>c. Insert the Meeting ID number and sign in with the user ID and password provided to you via the email notification in Step 3(c).</p>
<p>5 Participate</p>	<p><i>[Note: Questions submitted online via Meeting Platform will be moderated before being sent to the Chairman to avoid repetition. Minority Shareholders Watch Group's questions and answers will be presented during the 10th AGM.]</i></p> <p>a. If you would like to expand the live webcast, select the broadcast icon. </p> <p>b. If you would like to ask a question during the 10th AGM, please select the messaging icon. </p> <p>c. Type your message within the chat box, once completed click the send button.</p>
<p>6 Voting</p>	<p>a. Once voting has been opened, the polling icon  will appear with the resolutions and your voting choices.</p> <p>b. To vote, please select your voting direction from the options provided. A confirmation message will appear to show your vote has been received.</p> <p>c. To change your vote, please select another voting direction.</p> <p>d. If you wish to cancel your vote, please press "Cancel".</p>
<p>7 End of Participation</p>	<p>Upon the announcement by the Chairman on the closure of the 10th AGM, the live webcast will end and the Messaging window will be disabled.</p>

ADMINISTRATIVE GUIDE FOR THE TENTH ANNUAL GENERAL MEETING

continued

No distribution of door gifts/food and beverages voucher

There will be no gifts or voucher to be distributed to Unitholders and Proxies who participate at the 10th AGM.

Enquiry

If you have any enquiry on the RPEV facilities (technical assistance) prior to the 10th AGM, please contact the following during office hours from Monday to Friday (8:30 a.m. to 5:30 p.m.):

Boardroom Share Registrars Sdn. Bhd.

Address : 11th Floor, Menara Symphony
No. 5 Jalan Prof. Khoo Kay Kim
Seksyen 13 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

General Line : 603-7890 4700

Fax Number : 603-7890 4670

Email : bsr.helpdesk@boardroomlimited.com

Submission of questions before and during the meeting

- 1) Typed text in the Meeting Platform.
- 2) Unitholders may submit questions in advance on the 10th AGM resolutions and Annual Report FY2022 commencing from 31 May 2022 and in any event no later than 10:00 a.m., 19 July 2022 via BSIP at <https://investor.boardroomlimited.com> by logging in and select "SUBMIT QUESTION" to pose questions ("Pre-AGM Meeting Questions").

Personal Data Privacy

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the Unitholder has consented to the use of such data for purposes of processing and administration by AmFIRST REIT (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The Unitholder agrees that he/she will indemnify AmFIRST REIT in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the Unitholder's breach of warranty.



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"), the Second Restated Deed dated 13 September 2013 ("Second Deed") and the Third Restated Deed dated 12 June 2020 ("Third Deed" or the "Deed")) entered into between AmREIT Managers Sdn Bhd and Maybank Trustees Berhad, companies incorporated under the Companies Act, 1965]

FORM OF PROXY

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

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

with email address _____ mobile phone no. _____
being a Unitholder of AmFIRST Real Estate Investment Trust ("**AmFIRST REIT**") hereby appoints:

First Proxy "A"

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

and/or failing *him/her,

Second Proxy "B"

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

100%

or *failing him/her, *hereby appoint the Chairman of the meeting, as my/our Proxy to attend and vote for me/us on my/our behalf at the Tenth Annual General Meeting ("**10th AGM**") of AmFIRST REIT to be conducted fully virtual via Remote Participation Electronic Voting ("**RPEV**") on the following Meeting Platform, set out below and at any adjournment thereof:

Meeting Platform : <https://meeting.boardroomlimited.my>
(Domain Registration No. with MYNIC - D6A357657)
Day and Date : **Thursday, 21 July 2022**
Time : **10:00 a.m.**
Meeting Venue : **12th Floor, Menara Symphony**
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

No.	Resolution	For	Against
1	Ordinary Resolution No. 1		

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.

Dated this _____ day of _____, 2022.

Signature of Unitholder/Common Seal (if Unitholder is a Corporation)

* Delete if not applicable

NOTES:

1. Precautionary measures against Coronavirus disease 2019 (COVID-19) pandemic

- (i) In light of the ongoing COVID-19 pandemic and having regard to the safety and well-being of our Unitholders, Board of Directors, employees, third parties and other stakeholders who will attend the 10th AGM, the 10th AGM will be conducted fully virtual via RPEV facilities through live streaming and online voting using RPEV facilities by registering online with Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please follow the procedures provided in the Administrative Guide for the 10th AGM in order to register, participate and vote remotely via the RPEV facilities.
- (ii) With RPEV facilities, a Unitholder may exercise his/her right to participate (including to pose questions to the Directors) and vote at the 10th AGM, at the comfort of your home/office. Unitholders may use the query box facility to submit questions real time during the AGM.
- (iii) The online meeting platform of Lumi AGM via <https://meeting.boardroomlimited.my> provided by Boardroom Share Registrars Sdn. Bhd. at 12th Floor Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan, Malaysia shall be recognised as the meeting venue under Section 327(2) of the Companies Act 2016, where the Chairman of the Meeting is deemed present at the main venue in Malaysia. For the avoidance of doubt, there will not be a Broadcast Venue. The meeting venue of the 10th AGM is strictly for the purpose of observing the requirement where it entails the Chairman of the Meeting to be at the main venue (meeting venue). No Unitholders/Proxy(ies) from the public will be physically present at the meeting venue.
- (iv) Due to the uncertainty COVID-19 pandemic situation in Malaysia, we may be required to change the arrangements of our 10th AGM at short notice. Kindly check the website or announcements of AmFIRST REIT for the latest updates on the status of the 10th AGM.

2. Proxy

- (i) Since the 10th AGM will be conducted fully virtual via RPEV, if a Unitholder entitled to attend and vote at a meeting is not able to participate at the 10th AGM on 21 July 2022, in accordance with established practices, we encourage the Unitholders to appoint the Chairman of the meeting as his/her Proxy and indicate the voting instructions in the instrument appointing a Proxy (Proxy Form).
- (ii) A Unitholder entitled to attend and vote at the 10th 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 10th AGM shall have the same rights as the Unitholder to speak at the AGM.
- (iii) 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 the Unitholder specifies the proportions of its holdings to be represented by each proxy in the Form of Proxy.
- (iv) 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 Proxy Form shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney. An instrument appointing a Proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.
- (v) 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.
- (vi) Where a Unitholder is an exempt authorised nominee who holds units in AmFIRST REIT for multiple beneficial owners in one (1) 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.
- (vii) The appointment of Proxy may be made in a hardcopy form or by electronic means as follows:

In Hardcopy Form

The Hardcopy Proxy Form shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney. An instrument appointing a Proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor. The Proxy Form shall be deposited at the office of the Share Registrar of AmFIRST REIT at Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia no later than forty-eight (48) hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote, and in default the Proxy Form shall not be treated as valid.

By Electronic Means

The Proxy Form may be submitted:

- (a) to the Share Registrar of AmFIRST REIT, Boardroom Share Registrars Sdn Bhd via email to bsr.helpdesk@boardroomlimited.com, no later than forty-eight (48) hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) via electronic means ("e-Proxy Lodgement") through Boardroom Smart Investor Portal ("BSIP") at <https://investor.boardroomlimited.com> by logging in and selecting "Submit e-Proxy Form" under "AmFIRST REAL ESTATE INVESTMENT TRUST 10TH ANNUAL GENERAL MEETING" from the list of Corporate Meetings no later than forty-eight (48) hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote, (please refer to the Annexure to the Proxy Form for further information on submission via e-Proxy).

3. Unitholders entitled to participate and vote

For the purposes of determining a Unitholder who shall be entitled to participate and vote at the 10th AGM, AmFIRST REIT shall be requesting from Bursa Malaysia Depository Sdn. Bhd., to issue a General Meeting Record of Depositors as at 14 July 2022. In respect of the deposited securities, only Unitholders whose names appear in the Record of Depositors of AmFIRST REIT on 14 July 2022 shall be entitled to participate and vote at the 10th AGM or appoint the Chairman of the Meeting as Proxy to participate and vote on such depositor's behalf.

4. Registration of Unitholders/Proxies

Registration of Unitholders/Proxies is opened from 5:00 p.m. Tuesday, 31 May 2022 up to 10:00 a.m. Tuesday, 19 July 2022. Please follow the procedures provided in the Administrative Guide for the 10th AGM in order to register, participate and vote remotely via RPEV facilities.

5. Voting

Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all resolutions set out in the Notice of the 10th AGM will be put to vote by poll. Poll Administrator and Independent Scrutineer will be appointed to conduct the poll via e-voting process and to verify the poll results.

Upon completion of the voting session for the 10th AGM, the Independent Scrutineer will verify and announce the poll results followed by the Chairman of the meeting's declaration whether the resolutions are duly passed.

6. Personal Data Privacy

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the Unitholder has consented to the use of such data for purposes of processing and administration by AmFIRST REIT (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The Unitholder agrees that he/she will indemnify AmFIRST REIT in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

PLEASE FOLD HERE TO SEAL



The Registrar for AmFIRST Real Estate Investment Trust
Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia

PLEASE FOLD HERE TO SEAL

ANNEXURE TO THE FORM OF PROXY

Dear Unitholders,

We are pleased to inform you that as a Unitholder, you have the option to submit your Proxy Form via electronic means (e-Proxy) in paperless form. Once you have successfully submitted your e-Proxy Form, you are no longer required to complete and submit the physical Proxy Form to the office of the Share Registrar of AmFIRST REIT.

To assist you on how to engage with e-Proxy, kindly read and follow the guidance notes which are detailed below:

ELECTRONIC LODGEMENT OF PROXY FORM OF THE 10th AGM (E-PROXY LODGEMENT)

Step 1 – Register online with BSIP (for first time registration only)

Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 below for e-Proxy lodgement.]

- a. Access BSIP at <https://investor.boardroomlimited.com>
- b. Click “**Register**” to sign up as a user.
- c. Complete registration and upload softcopy of MyKad (front and back) or Passport in JPEG, PNG, or PDF format.
- d. You will receive an email from BSIP for email address verification. Click “**Verify Email Address**” to proceed with the registration.
- e. Once your email address is verified, you will be re-directed to BSIP for verification of your mobile number. Click “**Request OTP Code**” and an OTP code will be sent to the registered mobile number. Click “**Enter**” to enter the OTP code to complete the process.
- f. Your registration will be verified and approved within one (1) business day and an email notification will be provided. You can login to BSIP at <https://investor.boardroomlimited.com> with the email address and password that you have provided during the registration to proceed with the next step.

Step 2 – e-Proxy lodgement

- a. Login to <https://investor.boardroomlimited.com> using your User ID (registered email address) and Password.
- b. Select “**AmFIRST REAL ESTATE INVESTMENT TRUST 10TH ANNUAL GENERAL MEETING**” from the list of Corporate Meetings and click “**Enter**”.
- c. Click on “**Submit e-Proxy Form**”.
- d. Read and accept the General Terms and Conditions by clicking “**Next**”.
- e. Enter your CDS Account Number and indicate the number of securities.
- f. Appoint your proxy(ies) or the Chairman of the Meeting and enter the required particulars for your proxy(ies).
- g. Indicate your voting instructions – **FOR** or **AGAINST** or **ABSTAIN**. If you wish to have your proxy(ies) to act upon his/her discretion, please indicate **DISCRETIONARY**.
- h. Review and confirm your proxy(ies) appointment.
- i. Click “**Apply**”.
- j. Download or print the e-Proxy Form acknowledgement.

REQUEST FORM

To : AmREIT Managers Sdn Bhd (“AmREIT”)

Please send to me/us a printed copy of **AmFIRST REIT - Annual Report 2022**.

Name of Unitholder :	
NRIC No. / Passport No. / Company No. :	
CDS Account No. :	
Address :	
Contact No. / Email Address :	
Signature of Unitholder :	

Contact details to request for a printed copy of the Annual Report 2022 and the designated person to answer queries relating to the use of the electronic format are as follows:

- **Telephone No.** : 03-7955 8120 through Encik Abdul Rahman bin Mohd Joned.
- **Facsimile No.** : 03-7955 8360/80.
- **Email Address** : rahman-joned@ambankgroup.com
- **Mailing Address** : Penthouse, Menara AmFIRST, No. 1, Jalan 19/3, 46300 Petaling Jaya, Selangor

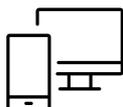
The printed copy of **AmFIRST REIT - Annual Report 2022** will be sent to Unitholder within seven (7) market days from the date of receipt of a written or verbal request.

AmFIRST REIT – Annual Report 2022 is also available at AmFIRST REIT’s corporate website and can be downloaded at <https://ir2.chartnexus.com/amfirstreit/reports.php>

OUR ANNUAL REPORT



Scan the QR Code to view our Annual Report 2022 online



The softcopy of our Annual Report 2022 is available at <https://ir2.chartnexus.com/amfirstreit/reports.php>



Download our Mobile App “AmFIRST REIT” from Google Play to view our Annual Report 2022

PLEASE FOLD HERE TO SEAL

Affix
Stamp

AmREIT Managers Sdn Bhd
Registration No. 200601011214 (730964-X)
The Manager for AmFIRST Real Estate Investment Trust
Penthouse, Menara AmFIRST
No. 1, Jalan 19/3
46300 Petaling Jaya
Selangor Darul Ehsan
Malaysia

PLEASE FOLD HERE TO SEAL

AmREIT Managers Sdn Bhd

Registration No. 200601011214 (730964-X)

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