

No	Unitholder/Proxy	Comments/Questions	Responses/Answers
1	Abdul Rahim Bidin	<p><u>Q1</u></p> <p>The increase in income for FYE 2017, but did not translate into higher distribution - why?</p>	<p><u>Chairman</u></p> <p>Distribution Per Unit ("DPU") for last year was a result of extraordinary gains from divestment.</p> <p>AmFIRST REIT started with investment offices but has now diversified to retail as well. The low DPU is a result of limited rent increase for the past three (3) years.</p>
		<p><u>Q2</u></p> <p>AmFIRST used to be the best in the country, but now its Unit Price is recorded at 74 cents, which is among the lowest in the industry. I hope AmFIRST can continue to increase dividend.</p>	<p><u>Chairman</u></p> <p>Unit Price is based on yield and growth from its portfolio.</p> <p>If you can see what AmFIRST has been trying to do in the past 2 years, you can see that it is working toward increasing tenancy, and hopefully better dividend</p>
		<p><u>Q3</u></p> <p>I hope that AmFIRST does not buy anymore properties and instead downsize to increase the value of the Trust.</p>	<p><u>CEO</u></p> <p>AmFIRST does not plan on anymore acquisition moving forward in the near future. However, it intends to divest non-core assets to reduce borrowings in order to reduce the interest expenses which will translate to better dividend yield.</p>

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2	Woo Kai Hung	<p><u>Q1</u></p> <p>Referring to page 53 of the Annual Report, the Summit USJ renovation was completed at the end of 2016. With the recent revaluation in February 2017 and from the announcement made to BURSA, why is there a revaluation deficit.</p>	<p><u>CEO</u></p> <p>Revaluation was done through the investment method which is dependent on the income stream from the asset to be valued and not from acquisition and other incurred cost. The value of the assets will grow in tandem with income increase from rental.</p>
3	Wan Heng Wen	<p><u>Q1</u></p> <p>How much did we spend on Asset Enhancement Initiative ("AEI"), how much do we plan to additionally spend on AEI?</p> <p>More spending on AEI will increase gearing, it is propose that moderate AEI spending be completed in view of the poor market.</p>	<p><u>Chairman</u></p> <p>With regard to the Summit USJ AEI, the refurbishment work done was due to the new mall situated nearby. The AEI has resulted in increased footfall of up to half a million from earlier recorded 300,000 average footfall.</p> <p><u>CEO</u></p> <p>With regard to Summit USJ Retail Podium, the cost of the AEI was RM 70million, the contribution from AmFIRST totaled RM 49 million as the Capital Expenditure ("CAPEX") was based on Joint Venture ("JV"), with other Owners. The REIT's own AEI was focus on car park, façade for hotel and office tower.</p> <p>The income for AmFIRST is based on a mix of a base rent and additional revenue percentage from the tenants. It is in AmFIRST's best interest to ensure higher footfall for tenants to encourage higher sales.</p>

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			AmFIRST shall ensure prudence in spending and focus on retaining tenants and at the same time increase share of revenue.
		<p><u>Q2</u></p> <p>With regard to the Headroom, the target gearing is between 35-40, the presentation by the CEO mentioned about divesting of low yield assets, which is not easy in the current market. Are there any plans for Placements or Rights Issues, going back to Ordinary Resolution 1, the placement would be dilutive to unitholders, what are the plans to degear?</p>	<p><u>Chairman</u></p> <p>With regard to Rights Issues/Placements, AmFIRST will take it into consideration. But after taking into consideration all unitholders' interests, AmFIRST understands that not all unitholders would want to commit extra funding for AmFIRST REIT.</p>
4	Teh Ming King	<p><u>Q1</u></p> <p>For the refurbishment of the Summit USJ, we have spent RM70 million on upgrading the mall. It may look nice and impressive on the outside, however on the inside, we can see that there are lots of vacant shops, the shutter are very shabby and addition to that, the elevator and escalator are not working. How can we spend RM70 million but unable to upgrade or change the escalator.</p>	<p><u>Chairman</u></p> <p>With regard to the Summit USJ, AmFIRST will try to upgrade everything however the mall is not fully owned by AmFIRST. We will take note of these issues and will highlight the concerns to the Management Committee ("MC") of the Mall.</p>

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5	Lian Mong Yee	<p><u>Q1</u></p> <p>The gearing is very high at 46.2%, interest rate at 4.5% and NAV is about RM1.25 per unit. We have heard this morning on how we have plan to divest, reduce our gearing to save our interest. This will only work for the benefit of the shareholders.</p> <p>Looking at the figure, the rental yields is not bad. Most of the buildings is giving us about 5% average, and interest rate at 4.5%, so that means that after divesting we might even up in a bad position.</p> <p>Hoping the management can consider on reducing the managements costs.</p>	<p><u>Chairman</u></p> <p>Please take into account that the interest rates are rising.</p> <p>We only charge 0.3% of the total asset value for the management fee, although we are entitled to charge up to 0.5%.</p> <p>For your information, when the REIT divest its asset, automatically the management fee will be reduced.</p>
6	Mitra Chen Wei Hong	<p><u>Q1</u></p> <p>Referring to page 5, the management expense ratio has increased more than 1. Hence, the management need to bear in mind that we want the management expenses fee to be more efficient and effective in order to bring in more income and more net profit to distribute more DPU and more capital appreciation.</p>	-

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		<p><u>Q1</u></p> <p>I have been attending most of REIT's AGM in Malaysia so I want to highlight about the gearing ratio as it is over than 40%. Even though 50% is maximum gearing ratio set by the Securities Commission ("SC") but once it's achieved 40%, it is alarming.</p>	<p><u>Chairman</u></p> <p>We agreed that gearing above 40% is high.</p> <p>Tenancy of Prima 9 comes with option to purchase, which could reduce gearing.</p> <p>AmFIRST has intention to sell the building but the buyer could not get approval to register the title in its name.</p>
		<p><u>Q2</u></p> <p>The Company need to take action on the rental yield. The rental yield is around 5% to 6% while interest rate is very high.</p> <p>So, after deducting all the relevant costs and adding the AEI what is left?</p> <p>If the interest rate is more than the rental yield, what are the Company's action other than de-gearing.</p>	<p>-</p>
		<p><u>Q3</u></p> <p>What are AmFirst's Office competitive advantage compared to other Office?</p> <p>If AmFirst can find out the niche competitive advantage, it helps to find parties to rent easier.</p>	<p><u>Chairman</u></p> <p>The REIT is more focused on SME businesses. But we need to be cautious because some of the SMEs only survive for a short period of time.</p> <p>The collection from SME is also an issue.</p>

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			We will continue to look for medium-large corporation but not multinational companies.
		<p><u>Q4</u></p> <p>Why don't we do the AGM at Summit Hotel instead of Berjaya Hotel?</p>	<p><u>Chairman</u></p> <p>We did not have our AGM at Summit Hotel because the Hotel is rundown.</p> <p>That is the reason why we want to change the operator. The operator is a part of the original developer.</p> <p>In addition, Berjaya Hotel gave us a good deal.</p> <p>Once the new operator takes over, we shall have our AGM at Summit Hotel next year.</p>
		<p><u>Q5</u></p> <p>What are the other incomes stated in page 114?</p> <p>The Company should improve on other income because it generates good revenue.</p>	<p><u>CEO</u></p> <p>Other incomes are generated by the Non- Regular Tenancy such as short-term lease and kiosks.</p> <p>We also rent the rooftop to tele-communications companies.</p> <p>In short, we are bringing in short term tenants for additional income.</p>

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		<p><u>Q6</u></p> <p>The Company mentioned earlier that it cannot rent out the Office but page 23 reflected a positive rental revision.</p> <p>On the other hand, why the Summit Retail Mall rental revision is negative?</p>	<p><u>Chairman</u></p> <p>The positive rental comes from AmBank Group. Based on the achieved market rate vis-a-vis comparable market rate, the portfolio would reflect a negative rental revision.</p>
7	Chong Siew Yoon	<p><u>Q1</u></p> <p>I am shocked by the fact that Summit Mall has escalators which does not function.</p> <p>It is an essential facility for people and cannot believe that Knight Frank, a reputable Property Manager can allow escalator to malfunction.</p> <p>I would never visit a mall which have no escalator.</p> <p>Do the Board of Directors go and check the conditions at the building?</p> <p>The Company need to come out with an ideal strategy to resolve the problems. Otherwise, the Board do not deserve to be in their position.</p>	<p><u>Chairman</u></p> <p>We do visit the Mall and are aware of the problem. Most of our Board of Directors are new (first year).</p> <p>Furthermore, replacing escalator is costly and need to be completed gradually.</p> <p>As mentioned by Mr Wong Khim Chon earlier that there are some of the replacement parts which are no more in existence.</p> <p>Currently, the MC has already replaced five (5) of the escalators.</p> <p>The MC also need to consider safety issues in the Mall. So, we rather not operate the escalator until it is replaced.</p>

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		<p><u>Q2</u></p> <p>If you have problem finding parts and it is the essential parts then you have to change it.</p> <p>If the property manager cannot do their job then sack them.</p>	<p><u>Chairman</u></p> <p>We are replacing it. We have already change five (5) escalators.</p> <p><u>CEO</u></p> <p>The management of day to day maintenance is done by the Management Corporation (MC). Knight Frank is appointed as property manager for those properties owned by AmFirst.</p> <p>Although we have assets in the Mall but Knight Frank does not manage the day to day maintenance.</p> <p>The management committee have a Centre Management Office lead by the Centre Manager who are managing the Mall.</p> <p>I go there frequently, and it is not fair to say that the escalator do not work all the time.</p> <p>There are also issue that cannot be controlled such as vandalism.</p> <p>One of the major causes in maintaining the escalator in the Summit Mall is the replacement of the handrail. If you talk about the escalator, the handrail is very critical.</p>

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			<p>This is the major cause and expense in maintaining the escalator.</p> <p>Despite having the CCTVs, the new lifts in the Summit Mall are being vandalized.</p> <p>We are working hand in hand with management corporation to reduce and mitigate the problem.</p> <p>We take note of your advices and will push the management corporation to work harder.</p>
		<p><u>Q3</u></p> <p>What are the use of CCTVs and guards if the vandalism still recurring? I cannot understand this.</p> <p>How does the Company plan to solve the problem?</p> <p>What is the budget to solve the problems? The expenses is high but do not get the desired results.</p>	<p><u>Chairman</u></p> <p>I need to remind all to focus back at the Audited Financial Statements and Reports. I do not wish to go into the operational issues, to be fair to other unitholders.</p>

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8	Teh Ming King	<p><u>Q1</u></p> <p>I am an owner to some shop lots at the Summit. I wish to disagree with you on the fact that some of the shop owners refuse to rent the shop lots at a reasonable price.</p> <p>I know some people who receive a RM1000/- rental and they pay the service charges of RM750/- so their net income is RM250/-. That does not include other assessments by MPSJ, quit rent, insurance and etc.</p> <p>When it comes to the election of MC, previously all the resolution were carried by poll. How do you explain the discrepancy when you said that Am REIT hold 70% and put the blame on MC.</p> <p>We wish to see more efficiency as we have a total trust in you and the Board. The Summit has spent more than RM70 million, it look nice but the moment you step on the escalator, it's usually does not work.</p> <p>Also more alarming, I have seen a directive from Commissioner of Building to Summit Subang USJ MC instructing the MC to bill Am REIT for service charges since year 2008.</p>	<p><u>Chairman</u></p> <p>We do take note of the comments.</p> <p>This is not the right forum to discuss on the issues.</p> <p>Operation matters should be raised at MC AGM.</p> <p>I wish to have more questions relevant to the Financial Statements.</p> <p>Regarding the issue on the Summit Mall management, the MC will reply to the directive from the Commissioner of Buildings accordingly.</p>

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		What is the financial term in value and how does it affects AM REIT financially?	
9	Lim Heng Keen	<p><u>Q1</u></p> <p>It appears to me that the Board of Directors are brushing aside the problems and putting the blame on the management corporation.</p> <p>I think the Board should know about operation problem and direct it to the management.</p> <p>I think the Board is not effective and only interested in attending the Meeting and listen to problems but not solving the problems.</p> <p>I know that the gearing is very high but the return is very low, so how many property do the Company manage?</p> <p><u>Q2</u></p> <p>With the number of nine (9) properties, should the respective MC be responsible or the Management be responsible?</p> <p>Board of Directors should take responsibilities instead of the MC because we are the people who cares about Company's profit and loss.</p>	<p><u>Chairman:</u></p> <p>There are nine (9) properties in our portfolio.</p> <p><u>Chairman:</u></p> <p>We will take that into consideration.</p>

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10	Leo Ann Puat	<p>I disagree with the fact that MC should be held accountable to the defects of properties.</p> <p><u>Q1</u></p> <p>Congratulations to the three (3) newly appointed Board of Directors. Moving forward we expected the Board of Directors to perform better.</p> <p>The CEO presentation was good. For 2017 results, it is not that bad. We actually performed better than last year.</p> <p>In addition, the Company net borrowing and cash flow also have been reduced while the gearing have gone up.</p> <p>The cash flow and management expenses are better than last year.</p>	-
		<p><u>Q2</u></p> <p>We are interested to know what are the Company's strategies moving forward and what is the expectation for the occupancy rate for second half 2017 to 2018?</p> <p>Good occupancy rate will give good rental returns. Is it achievable?</p> <p>Dividend yield is not so bad but the dividend</p>	<p><u>CEO</u></p> <p>We expect to show a better financial performance for 2018 moving forward. Currently, the committed occupancy rate is at 87.3%. Increase in occupancy will give increase in revenue. We will try to maintain the cost, allowing rental income to be translated into higher DPU.</p>

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		<p>yield has gone down. I hope the Company can improve.</p>	
		<p>My main concern is about the market price because it is very low.</p> <p>What are the reasons for the market price for being so low?</p>	
		<p><u>Q3</u></p> <p>Menara AmFIRST need to be painted because it do not look presentable and the paint has come off.</p>	<p><u>CEO</u></p> <p>We would not do re-painting because it is costly. But, we will remove the stains at the Building facade.</p>
		<p><u>Q4</u></p> <p>I would like to comment on USJ Summit.</p> <p>In general, outside and inside should be reasonably good.</p> <p>Agree with Chairman that Summit Hotel is a rundown hotel and very terrible in terms of operation and facilities. Hence, urged the Company to take necessary action to improve the conditions.</p>	<p><u>Chairman</u></p> <p>The Board is not trying to brush off anything. However, these matters should be discussed at different forums.</p>

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11	Chan Hock Kun	<p><u>Q1</u></p> <p>I noticed that most of the units especially second and third floor in USJ Summit are owned by minority owners, I would like to suggest that why not AmFIRST buy back from the individual owner to increase the ownership so that we are easily to divest.</p>	<p><u>Chairman</u></p> <p>We are planning to buy back but we are restricted by market value.</p>
12	Louis Marie Yeoh	<p><u>Q1</u></p> <p>Can you explain to me the fair value of the properties compared to 2016 and 2017 in the statement of accounts, referred to page 93?</p>	<p><u>External Auditors</u></p> <p>I will explain briefly on the fair value of market value. You can refer to page 108 to page 110. The method we used are Investment Method and Comparison Method. The movement from last year to this year are quite similar, the properties market is not on an uptrend but for good locations, value remains.</p>
13	Thang Choo Kien	<p><u>Q1</u></p> <p>Referred to page 119, the term yield is 5.9% to 6.9%, but when you look at the net rental income of Summit the yield is only 1.91%, why is there such a big gap?</p>	<p><u>CEO</u></p> <p>Gross yield for the mall is 4%, excluding service charge. Other properties you do not have to pay service charge, but definitely have to bear the maintenance cost. As a result, the net yield for mall is pretty low.</p>

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		Regarding to the COB letter, if this issue is going to impact the contingent liability disclosed in the financial accounts? If AmREIT is to own up to more than 50% of the maintenance and sinking fund since 2008, I believe the figures of the net profit will change substantially.	If AmREIT is to own up to more than 50% of the maintenance and sinking fund since 2008, I believe the figures of the net profit will change substantially.
14	Chong Siew Yoon	<u>Q1</u> The irregularities of the Key Audit Matters should be mentioned in the Annual Report.	<u>External Auditor</u> Referred to page 127 to 130, the format is determined by the Regulator. However, we will check with the Regulator whether there is a change in the format.
15	Chua Song Yoon	<u>Q1</u> Do management foresee any impact for AmBank and RHB merger to the occupancy rate?	<u>Chairman</u> Negotiation is still ongoing. At this moment we are unable to determine how occupancy will be affected.
		<u>Q2</u> If the gearing ratio reach 50% for some reason, will it impact on the payout or bring in DPU?	<u>Chairman</u> We do not expect the gearing ratio to reach 50%.

Legend:

Q – Question

C – Comment