

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)

9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)

- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)

A. QUESTIONS ADDRESSED BY THE CHAIRMAN AND MANAGEMENT OF AmFIRST REIT

No.	Question	Originator	Category	Response from the Chairman and/or the Management	Status
1.	Will AmFIRST REIT be offering newly added shares to current Unitholders first?	Mr Muhammad Luqman Hakim	Financial	<p>Under the Enhanced Rights Issue, new Units will be offered to the existing Unitholders of AmFIRST REIT based on their unitholding on a pro-rata basis.</p> <p>The Chairman informed that under the general mandate via private placement, the new Units will be issued to identified parties other than:-</p> <p>(i) directors, major Unitholders or chief executive or a holding company of the listed issuer or interested persons connected to them;</p> <p>(ii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.</p>	Answered
2.	Will AmFIRST REIT be offering dividend reinvestment plan for current Unitholders?	Mr Muhammad Luqman Hakim	Financial	<p>The Chairman informed that at the moment, AmFIRST REIT does not have any plan to implement the dividend reinvestment scheme.</p>	Answered

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)

9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)

- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)

3.	Would the Board and Management consider providing Unitholders with door gifts/tokens of appreciation?	Mr Loo Tuck Fatt; Mr Loo Yeo Ming and others	Administrative	The Chairman informed that the 2021 AGM was conducted fully virtual and as disclosed in the Administrative Guide attached together with the Notice of AGM, the Manager of AmFIRST REIT will not distribute door gifts or vouchers to the Unitholders for this AGM.	Answered
4.	Did the Management undertake a review on low yielding assets like Summit USJ which carries a high borrowing amount versus income generated? Are there any plans to dispose it to bring down total bank borrowings which in turn will help in improving the financial performance?	Mr Ser Boon Teck	Strategy	<p>The CEO informed that as part of the divestment strategy to rationalise the existing portfolio of the Trust, the Manager had planned to review the low-yielding assets. He further explained, the plan started two (2) years ago when the market was at its mediocre point, and it was agreed that the Manager was to focus on DPU and gearing level by collaborating with market that was involved in the supermarket industry with The Summit Subang USJ as the first to seal the deal.</p> <p>The CEO informed that the Trust had also offered proposal to various investors who had entered into Non-Disclosure Agreement and paid refundable commitment fees for the divestment of The Summit Subang USJ. However, due to the unfavourable market condition, it was aborted. Nonetheless, the Manager is confident that the financial result will show improvements by 2022.</p> <p>Therefore, at the moment, the immediate strategy was to fill up the vacant retail area of The Summit</p>	Answered

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)

9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)

- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)

				Subang USJ with tenants that will thrive in the new normal. It was estimated about 45,000 square feet has been secured by a supermarket, and thus, a much needed anchor tenant is required for value creation.	
5.	Does Management plan to change its investment strategies and diversify the property portfolio including investing in industrial properties instead of predominantly relying on office rental income which has particularly seen an oversupply in Klang Valley and lack of competitiveness in getting new tenants to sustain high occupancy rate?	Chan Choun Sien	Strategy	The Chairman informed that currently, the Trust is considering to diversify its investments into logistic assets as one of the strategy of the portfolio rationalisation.	Answered
6.	What is Management’s view on Da Men mall as it is expected to become a major competitor and detract footfall from Summit USJ, especially with the earmarked opening of Dadi Cinema and its strategies in rebranding the mall? What are the unique selling propositions of Summit USJ and are there any plans to attract more new tenants or expand footfall?	Mr Ser Boon Teck	Strategy	<p>The CEO informed that the Trust is working hard in enhancing The Summit Subang USJ as a preferred choice of neighborhood mall seeing that about 45,000 square feet has been secured by a supermarket. In addition, there is another 20,000 square feet plus 10,000 square feet of sub-anchors coming subject to final inspection Thus, all efforts to bring in tenants is progressing well, albeit the current pandemic. However, the MCO/EMCO that has delayed the speed of closing of the said deal.</p> <p>All these prospects tenants are termed as “bargain hunters” propositions and their focus is volume turnover. Da Men mall and The Summit Subang USJ can</p>	Answered

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)

9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)

- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)

				<p>be considered as two (2) different market segment with The Da Men mainly focused on high-end market. Nonetheless, the Trust will continue to do what they are currently doing and anticipate the result can be seen in the near future.</p>	
7.	<p>Given that Directors are appointed and remunerated directly by the REIT Manager without a direct “say” from Unitholders, how are the interests of the Directors aligned with Unitholders (particularly minority Unitholders) so as to protect their interests?</p>	Chua Song Yun	Governance	<p>The Chairman explained that AmFIRST REIT was established as a trust structure based on the Trust Deed and is highly regulated under the Trust Deed, Securities Commission’s (“SC”) Listed REIT Guidelines and Bursa Listing Requirement (collectively as “the Guidelines”). Thus, the Trustee is an independent party who acts in the best interest of the Unitholders to ensure a long-term viability of the Trust, actively monitoring the administration of the Manager in accordance to the Guidelines.</p> <p>While the Manager is managing the REIT subject to the parameters on permissible investment, borrowings limit and periodical reporting requirements under the Trust Deed and SC’s List REIT Guidelines. It recognises the importance of the strong corporate governance to promote and safeguard the best interest of the Unitholders and other stakeholder.</p> <p>Furthermore, AmREIT Managers Sdn Bhd is a subsidiary of AmBank Group</p>	Answered

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)

9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)

- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)

				<p>which is under the purview of Bank Negara Malaysia (“BNM”). The Manager place a strong importance on corporate governance to promote and safeguard the best interest of all the Unitholders.</p> <p>The Chairman then informed the Unitholders to refer to the Statement of Corporate Governance and Statement of Risk Management in the 2021 Annual Report for the Manager’s main corporate governance practises and policies as well as risk management framework in managing the Trust.</p>	
8.	<p>In terms of total returns to Unitholders, AmFIRST REIT has been underperforming relative to other Malaysian REITs. Over the past 9 years, the Unit price has dropped from above RM 1.00 to only RM 0.40 today, while Distribution Per Unit dropped from around 9 sen to 3 sen per unit. Further to this, some of the acquisitions and asset enhancement initiatives have not been successful.</p> <p>a) Has the Board and Management reflected on these circumstances and can they share their thoughts with the Unitholders?</p> <p>b) What will the Board and Management do differently moving forward?</p>	Chua Song Yun	Strategy	<p>The CEO informed that, over the past years, the performance of the Trust has been impacted by the challenging commercial office and retail market. Some of the properties within the asset portfolio recorded low occupancy and rental rates which reduced the revenue generation for income distribution, and this, coupled with the escalation of the property expenses and the high interest cost due to high gearing, the net income of the Trust has been on the downward trend.</p> <p>Nonetheless, moving forward in order to improve the income distribution and long-term value creation, the Manager will focus more on tenants’ retention, sector-specific leasing and cost containment to improve the yield of the</p>	Answered

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)

9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)

- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)

				<p>existing properties. It was noted that during MCO, at least 60% of the tenants are categorised under essential services.</p> <p>At the same time, the Manager will also look into opportunities for divestment of non-performing assets to reduce gearing and recycle capital into higher yield assets and diversifying into other asset classes to reduce dependency on the office and retail assets.</p>	
9.	<p>AmFIRST REIT’s investment properties carry a total value of RM1.628 billion, while its net property income is only RM65.0 million and has been experiencing a downtrend. This suggests a declining yield of around 4.0%.</p> <p>a) Please explain why these investment properties generate such low returns?</p> <p>b) Peers typically apply a capitalization rate of at least 5% to determine the asset value. Does this suggest that the investment properties reported value may be inflated?</p> <p>c) Could the auditor please explain how this reported value is verified? How confident is the auditor that this figure reflects the realizable value?</p>	Chua Song Yun	Financial	<p>a) The Chairman informed the declining yield of some of the properties were mainly due to the lower occupancy and rental rebate given to tenants in Klang Valley, Cyberjaya and Putrajaya, that have been impacted by pandemic in FY2021. Fortunately, with the support provided by the anchor tenant i.e. AmBank Group, it helps to maintain the yield at a manageable level.</p> <p>The Chairman informed that the asset value is determined based on the valuation by professional independent valuers, using the Income Approach as the primary method and Market Comparison Method as a check and balance to determine the fair value. In these valuation methods, the valuer will take into consideration all pertinent factors and based on the analysis of</p>	Answered

**AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)
9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)**

- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)

				<p>relevant market data, will derive the market value of the investment properties.</p> <p>The range of the term yield and reversion yield rate used in the valuation is disclosed in Note 5 of the Financial Statements. The capitalization rate compared to other REITS is as follows:-</p> <ol style="list-style-type: none"> 1. AmFIRST : 6.00% - 7.00% 2. Tower REIT : 6.00% - 6.50% 3. UOA REIT : 5.00% - 6.25% 4. Sentral REIT : 5.50% - 7.00% <p>The Chairman clarified that the capitalisation rate for the Trust is higher than 5% and not inflating the value of investment properties.</p> <p>b) The external auditors clarified that the audit procedure was conducted in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standard (“IFRS”). The procedure is disclosed in Key Audit Matters section on pages 167 and 168 of the 2021 Annual Report. The valuation of the investment properties was based on the independent valuers’ methodology and valuation method. The assumption used to derive the valuation has been disclosed in</p>	
--	--	--	--	---	--

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)

9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)

- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)

				Note 4.2A and Note 4.5 of the Financial Statements.	
10.	<p>In the FY2021, the Manager’s fee stands at around RM7.0 million, of which a significant portion is from the 0.3% charged on the total asset value. The Manager’s fee also amounts to 33% of the realized profit, which is a relatively high portion, when compared to peers.</p> <p>a) Why hasn’t the Manager chosen to divest non-performing assets and return the profits earned to Unitholders?</p> <p>b) Holding large assets is obviously benefiting the Manager, however, if these assets are of low yielding, it will be value destructive to Unitholders. Can the Manager please comment?</p>	Chua Song Yun	Others	<p>The Chairman clarified that under the Trust Deed, the Manager is entitled to receive 0.5% of the Total Asset Value as base fee. However, the Manager has been charging 0.3% of the Total Asset Value as a base fee since inception of AmFIRST REIT. As compared to other Malaysian REITs, the commercial office REITs were charging from 0.4% to 1.0% of the Total Asset Value / Net Asset Value.</p> <p>a) The Chairman informed the Manager is exploring into other assets portfolio and divesting non-performing assets to rationalise the asset portfolio. There were parties who had entered into Non-Disclosure Agreement and paid refundable commitment fees for the acquisition. However, due to the unfavourable market condition, it was aborted.</p> <p>b) The Chairman clarified the valuation is based on capitalisation of 6%. He clarified that the Manager is not a family-owned company, instead the Trust is a subsidiary of AmBank Group. The contribution of the Manager’s fee, net of expenses, to the Bank’s group profit is very insignificant. Hence, holding onto large assets is of insignificant</p>	Answered

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)

9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)

- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)

				benefit to the Manager and there is no reason to do so other than the difficulty to divest such assets as explained earlier.	
11.	What is AmFIRST REIT's future outlook?	Lau Chuan Hooi	Strategy	<p>The Chairman informed, moving forward, the plan is to improve the income distribution and long term value creation, and the Manager will be focusing on tenants’ retention and sector-specific leasing and cost containment to improve the yield of the existing properties.</p> <p>We are also looking at opportunities to divest non-performing assets to reduce the gearing and recycle capital into higher yield assets and to diversify into other asset classes in order to improve the overall yield of the portfolio.</p>	Answered
12.	How has the Full Movement Control Order (FMCO) impacted AmFIRST REIT?	Lau Chuan Hooi	Strategy/ Operational	The CEO clarified that the Trust has not been spared by the impacts of the COVID-19 pandemic especially on the retail and hotel portfolio, whilst the office remained steady. Fortunately, as mentioned by the Chairman earlier, the Trust with the support of its anchor tenant i.e. AmBank Group to help to maintain the yield, this has assisted the Manager to provide assistance to the affected tenants in the forms or rental	Answered

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)

9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)

- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)

				rebates and deferment of rental for them to tide over the challenging period.	
13.	How much is the cost saving for this virtual AGM as compared to the physical one?	Lau Chuan Hooi; Teh Peng Tin	Others	The Chairman informed that the total cost for the 2021 fully virtual AGM was approximately RM50,000, which was half of the total cost for a physical AGM.	Answered
14.	Would the hardcopy Annual Report be provided?	Teh Peng Tin	Administrative	The Chairman informed that Unitholders may request for the hardcopy of 2021 Annual Report by submitting the request form available in the e-copy Annual Report to the Trust.	Answered
15.	With reference to the 5 year trend of borrowings and gearing ratio from 2017 to 2021 on page 2 of AmFIRST REIT’s Annual Report and what would appear as AmFIRST REIT not having acquired any properties for the past 5 years; why is AmFIRST increasing borrowings every year without much improvement in the net property income?	Loke Yoon Hoe	Operational	<p>The CFO clarified that there were two (2) factors that had affected the gearing although there was no new acquisition in the past few years.</p> <p>The slight increase in the gearing was due to the revaluation of the investment properties where gearing can be calculated by a formula, where total borrowings is divided by the total assets, and if there is a dropped in asset value, the gearing will increase accordingly.</p> <p>He added that the capital expenditure spent by the Trust over the years will also affect the gearing.</p>	Answered
16.	What is the amount of rental rebates given to tenants for the months of May and June 2021?	Loke Yoon Hoe	Operational	The Chairman informed that at the moment the Trust has yet to consider to give rental rebates to tenants due to the implementation of EMCO in the Klang Valley. Nonetheless, provision has	Answered

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)

9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)

- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)

				been made and the Trust will continue to evaluate the situation and actively engage with tenants. The rental rebates will be provided to tenants on case by case basis by taking into consideration whether they are in the essential service or non-essential service.	
17.	What is the impact of the pandemic towards rental renewal by tenants?	Kow Lih Shi	Operational	The CEO clarified that the main strategy of the Trust was to retain its existing tenants. There was some rental revision to this extent, in order to retain and prolong relationship with the tenants.	Answered
18.	How is the cash flow position from operations for the 1st half 2021 and what is the cash flow trend moving forward? Are there any collection issues expected?	David Tai Da Wei	Financial	<p>The CFO explained the Trust is in a positive cash flow position as still able to generate a positive cash flow from the operation or net realised income for income distribution and that it was important, moving forward, to continue generating positive net realised income from operation.</p> <p>He added that so long as the Trust is able to generated positive net operation surplus, there will be no issue with the cash flow position.</p> <p>In terms of collection, the trade receivable has increased from RM3.5 million to RM13.5 million mainly due to the slow collections and rental deferment scheme offered to tenants impacted by COVID-19 pandemic. The Manager is monitoring the credit control closely and hope that the trade</p>	Answered

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)

9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)

- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)

				receivables can be collected when the COVID-19 pandemic is over.	
19.	Will there be a dividend payout for the year 2021, and if so, how much is it expected to be and when will the payout be provided? Will said payout be impacted by the fair value losses?	David Tai Da Wei	Strategy	<p>The Chairman clarified that the Trust has an income distribution policy to distribute the realised income on a semi-annual basis, where the Manager aimed to distribute at least 90% of the distributable income.</p> <p>He further clarified that the distribution income derives from realised income excluding the fair value losses which were not realised.</p>	Answered
20.	As for resolutions number 1 and 2, what would the prospects, utilisation plans and dilution effects for existing unitholders?	David Tai Da Wei	Financial	<p>The Chairman explained that there was no plan to issue new units either by rights issue or private placement, as the resolutions were merely general mandate for issuance of new units.</p> <p>Nonetheless, the Trust is seeking Unitholders’ mandate in advance, in case there is a need to raise funds due to unforeseeable events in the future. The Chairman added such mandate sought from the Unitholders had not been used for the last five years’ AGM and currently there was no immediate plan to implementation of the mandate.</p> <p>However, with the COVID-19 pandemic still evolving, the impact of dilution will depend on the issuance share price and utilisation of the proceeds of the equity.</p>	Answered

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)

9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)

- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)

21.	Would AmFIRST REIT consider proposing a share buy back up to 10% of the profit after tax in 2021 as the share price appears to be lacking in support?	David Tai Da Wei, Thavarajan a/l Muthiah Pillai	Financial	The Chairman informed that in order to implement share buyback scheme, the Trust will need to finance it by utilising the borrowings. However, due to high gearing, there was limited headroom to buyback the units.	Answered
22.	A private placement does not appear to be well-timed considering AmFIRST REIT’s low share prices and private placements are known to negatively impact share price; would there be consideration to open the placement to non-shareholders who are interested?	David Tai Da Wei	Financial	<p>The Chairman concurred with Mr David Tai that private placement is known to negatively impact share price.</p> <p>He clarified that one of the resolutions to be tabled during today’s AGM was to seek Enhanced Rights Issue Mandate from the Unitholders and under such mandate, all Unitholders will be entitled to subscribe the new units and the discount for the units may increase to 30% in the market price.</p> <p>Whereas the maximum discount for private placement is only 10% in the market price. Therefore, private placement will only be considered as a last resort. The new unit of the private placement will be placed out to the identified places by the placement agent and the REIT Managers.</p>	Answered
23.	With the ongoing pandemic, has the Board framed any investment strategy to capitalise on the current situation?	Yap Yik Yong	Strategy	The Chairman informed that the Trust is always looking to explore new opportunities offered in the market. One of the asset classes that the Trust is planning to venture into is logistics asset. However, the Trust will need to raise new capital before we can capitalise on the opportunities.	Answered

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)

9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)

- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)

24.	What is the expected NPI yield for The Summit for FY2022?	Chan Choun Sien	Financial	<p>The CFO informed that the current yield for The Summit Subang USJ was about 1% due to rental rebate offered to tenants that were impacted by the COVID-19 pandemic. As such, the NPI yield for FY2022 will depend on how much rebate will be offered to those existing tenants in order to retain them.</p> <p>The Manager is still monitoring the yield by taking into account the impact of the ongoing MCO in order to negotiate the rental rebate offered to the tenants.</p>	Answered
25.	What occupancy can be expected of Prima 9 for financial year 2022 and are there any plans to increase the tenancy occupancy rate at Prima 9?	Chan Choun Sien and Yap Yik Yong	Operational	<p>The CEO explained that the Manager is currently registering a new tenant, RBC for additional space in Prima 10 and Prima 9 subsequently. Based on the office space expansion in Prima 9 and Prima 10, the Manager aimed to boost its number of occupancy to before, as at today, the negotiation was still ongoing and the result will be conveyed in the future.</p> <p>Despite the market being challenging, the tenants at Prima 10, Quest Software has expanded its office space to 2,500 square feet at Prima 9, thus the occupancy at Prima 9 has improved to 43.9% from 41.7%.</p>	Answered
26.	Will AmFIRST REIT sustain growth by acquiring undervalued property in the non-commercial segment?	Kow Lih Shi	Strategy	<p>The Chairman clarified that the Trust will continue to look for those undervalued properties. However, due to the limited headroom provided by the</p>	Answered

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)

9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)

- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)

				gearing level, the Trust will need to look for yield accretive acquisition or raise capital for new acquisition.	
27.	Are there any risks to AmFIRST REIT given that Mydin has terminated its tenancy?	Chan Choun Sien	Operational	<p>The CEO confirmed that Mydin HyperMall has never terminated its tenancy as they are committed to make payment on timely basis. He added that Mydin HyperMall was currently seeking for rental rebate and rental deferment.</p> <p>The Chairman also commented that since Mydin HyperMall is categorised as essential service, the business will not be much impacted by the Covid-19 pandemic. Hence, there is no indication that Mydin HyperMall will terminate its tenancy in the near future and furthermore it's on a sale and leaseback for 30 years since 2015.</p>	Answered
28.	Why is the unit price undervalued and not reflective of the net asset value?	Chew Hiap Hong	Financial	The Chairman clarified that besides the asset value and yield, the Trust is aware that the Unitholders are now looking at potential growth in the REIT's income. At the moment, there are various factors affecting movement in unit price amongst others the perception of investors on the negative outlook for office and retail markets apart from the gearing.	Answered
29	Would there be any adverse implications for AmFIRST REIT in relation to tenants with contract renewals that are due in the	Kow Lih Shi	Operational	The Chairman clarified that based on the CEO's presentation, approximately 40% of tenancy was due for renewal in FY2022. Therefore, the strategy of the	Answered

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)

9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)

- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)

	near future given the work from home conditions?			Trust is to retain the existing tenants by offering incentive to renew their tenancy because it was difficult to secure new tenants during the COVID-19 pandemic. Despite the new normal, the Trust managed to secure renewals from its existing tenants from six months to one year in advance for offices and the Manager will put their best effort to maintain its overall occupancy rate in FY2022.	
30.	Will AmFIRST REIT convert some of its borrowings to fixed rate to balance interest rate fluctuation risks (e.g. possible rise in OPR in 2023) instead of having 100% borrowings in floating rate?	Loke Yoon Hoe	Financial	The Chairman clarified that some of the borrowings will be switched to fixed rate once the economy has recovered and interest rate increased proportionately. Nonetheless, based on the current economic situation, where interest market is very volatile, the Manager expects the interest rate will still remain low but will continue monitoring the interest rate market closely and will lock-in to fixed rate. when the opportunity arises.	Answered
31.	Please highlight which of the 9 assets is/are considered not profitable and what are the underlying reasons for the non-profitability. Also, what are the measures undertaken to improve their performance?	Leo Ann Puat	Operational	The CEO explained that the assets not profitable are The Summit Retail and Prima 9 as the retail tenants are opting for termination and moving out of the buildings. However, there will be new tenants to occupy The Summit Retail, one of which is a retail tenant to occupy the 45,000 square feet supermarket	Answered

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)

9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)

- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)

				area and the Manager will endeavor to bring in new tenants and expand current tenants into the two (2) buildings.	
32.	What is the rationale for issuing rights and how much does AmFIRST REIT plan to raise from the rights issue?	Teh Peng Tin	Financial	<p>The Chairman clarified that the Trust is seeking mandate on the rights issue from the Unitholders in case there is an unforeseeable event occur and a new capital would need to be raised.</p> <p>He further clarified that the Enhanced general mandate for rights issue of up to 50% of the total number of issued Units is a temporary relief measure offered by the SC up to 31 December 2021.</p> <p>However, since it is now the second half of the year, the likelihood of the Trust to implement the rights issue is low.</p>	Answered
33.	Have Directors and Executive considered taking a pay cut in light of the poor performance of AmFIRST REIT?	Loo Yeo Ming	Financial	<p>The Chairman clarified that there is no correlation between the directors’ pay cut and performance of the Trust. The fact, the Manager receives fees from AmFIRST REIT and the Directors’ pay cut will only improve the performance of the Manager instead of the Trust.</p> <p>However, he added that the Manager will consider a fee cut in order to improve the performance of the Trust for the benefit of the Unitholders.</p>	Answered

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)**9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)****- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)**

34.	Please share the basis upon which AmFIRST REIT selected Boardroom as the technology service provider for its AGM.	Loo Yeo Ming	Governance	The Chairman clarified the Manager had selected Boardroom as the technology service provider in Malaysia based on the Trust’s past experience during the last AGM. He added that the fee charged by Boardroom in conducting the 2021 Virtual AGM was relatively lower compared to the last virtual AGM.	Answered
35.	Since AmFIRST REIT has been badly affected by the pandemic and earnings have continued to drop, are the Manager and Trustee considering a reduction to fees charged?	Tan Mun Jun	Operational	The Chairman explained, the realised income was not badly affected in FY2021 and the Manager had striven to maintain its position in the future. The Manager managed to secure new tenants for some of the offices and retail places. Furthermore, the Managers’ fee is one of the lowest since inception. Nevertheless, it may consider a reduction in the fees charged after having reviewed all other circumstances, particularly if the performance of the REIT worsens.	Answered
36.	What are the revaluation losses expected for the financial year 2022?	Chan Choun Sien	Financial	The CEO informed that at the moment, the Manager is unable to estimate the possible revaluation losses for FY2022, as we are still striving to increase the remaining tenancy from 82% to 90% to minimise any potential revaluation losses.	Answered
37.	Given that AmBank is AmFIRST REITs largest tenant, will they be keeping the same amount of space for the next few years or will they be reducing the space	Chan Choun Sien	Operational	The Chairman informed that AmBank Group will be looking at re-stacking and relocating some of its office space to reduce its tenancy costs. However, the Group is expected to retain the same	Answered

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)

9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)

- **UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)**

	required, as what many other banks are doing, due to work from home policies?			amount of office space for the next few years.	
--	---	--	--	--	--

AmFIRST REAL ESTATE INVESTMENT TRUST (“AmFIRST REIT”)

9TH ANNUAL GENERAL MEETING ON 7 JULY 2021 (FULLY VIRTUAL)

- UNITHOLDERS’ QUESTIONS AND ANSWERS SESSION MODERATED BY KPMG MANAGEMENT & RISK CONSULTING SDN. BHD. (“KMPG”)

No.	Question	Originator	Category	Response from the Chairman and/or the Management	Status
38.	Will be the minutes of 9th Fully Virtual Annual General Meeting be posted online?	Lee Kam Weng	Administrative	The softcopy Minutes of the 9 th AGM will be uploaded to the Company’s website for the Unitholder’s reference.	Answered