

No	Unitholder/Proxy	Comments/Questions	Responses/Answers
1	Encik Abdul Rahim Bidin (Unitholder)	<p>He enquired on the following matters:</p> <p>a) What is the prospect of the The Summit Subang USJ ("Summit Subang") achieving full occupancy?</p> <p>b) Has BNM's lower lending rate affected AmFIRST REIT's future income and the effects of a drop in OPR in the market?</p> <p>c) What is the prospect of dividend per year for the coming year?</p>	<p>The CEO informed that the Summit Subang development includes the hotel, retail and office segments. For the office block, currently 12 out of its 13 floors owned by the REIT have been 90% occupied. For the retail segment, if all goes according to plan, it should achieve a 90% occupancy rate. However due to the recent strata ruling, Management is working with the mall owners to anchor other tenants throughout the mall to fully utilise all available mall floor space to ensure that the value of the mall goes up. For the hotel segment, it is progressing well and there are no issues.</p> <p>The CFO replied that AmFIRST REIT has close to RM800 millions of borrowings and has interest rate swap contracts of RM200 million to hedge against the interest rate exposure. Hence, 25% of its borrowings are currently hedged with fixed interest rate whilst 75% of its borrowings are subject to the floating rate. He mentioned that for any 25 basis point dropped in OPR, there will be an estimate RM1.5 million interest savings which translate to about 0.2 sen in term of additional DPU.</p> <p>The CEO informed that if the plans can be successfully executed, it should increase the occupancy rate at the malls which will in turn lead to improved dividend returns.</p>

No	Unitholder/Proxy	Comments/Questions	Responses/Answers
2	<b>Madam Chong Siew Yoon (unitholder)</b>	<p>She expressed her concern on the occupancy rates for Prima 9 and 10 located in Cyberjaya. She suggested that management consider converting several lots into a food court or supermarket to draw in traffic to the mall.</p> <p>She expressed her frustration that even after the renovation works at the Summit Subang the tenants are still leaving due to the messy refurbishment works and poor lighting at the concourse, and enquired if Management had acquired the necessary approvals to carry out the renovation works and taken any follow up action on the declining condition of the mall. This left a poor impression on the condition of the mall from the viewpoint of a customer.</p> <p>She further enquired on what is the update on the ongoing court cases and legal allegations surrounding AmFIRST REIT?</p>	<p>The Chairman assured that any renovation works carried out had indeed obtained prior approval from the relevant authorities.</p> <p>For Prima 9 and 10 at Cyberjaya, Management is of the opinion that the properties are doing quite well as the office buildings recorded a growth in occupancy rate, with Prima 10 increasing from 60% from the previous year to 80% occupancy rate this year. Being an office building, it is not possible to convert the empty lots to a food court or a supermarket.</p> <p>For Summit Retail Mall, the lots owned by AmFIRST REIT have mostly been rented out, with the remaining vacant lots held mainly by the individual strata title owners whom have refused to rent out due to the low rental rates. Therefore, the empty lots visible are mainly contributed by these individual strata title owners.</p> <p>The CEO informed that Management's target is to achieve a higher occupancy rate to bring in more traffic flow and then look into improving the rental yield subsequently. However, this would need the co-operation of the individual strata unit owners.</p> <p>Chairman replied that the market is overall performing poorly this year. Big branded tenants like Uniqlo tend to</p>

<b>No</b>	<b>Unitholder/Proxy</b>	<b>Comments/Questions</b>	<b>Responses/Answers</b>
			<p>demand for flexible rental terms such as up to 6 months rental free. Even the brightly lit and well managed malls are not seeing much traffic activity. This includes the Da Men mall managed by Pavillion REIT Management Sdn Bhd.</p> <p>The main reason why retail tenants are moving out is due to the lack of business as the younger generation now tends to make online purchases and it is food &amp; beverage ("F&amp;B") industry that is growing as consumers would still flock to the malls for food choices.</p> <p>In the meantime, Management is doing its best to improve occupancy and bring in more operators to take up the vacant available lots, but highlighted that there are owners not paying the service charge. The overall prosperity of the mall is the joint responsibility of both the REIT and individual strata title owners and would require co-operation from the individual strata title owners to be accountable for their own costs.</p> <p>The Chairman replied that for the ongoing court cases, Management is unable to comment as it could be prejudicial and recommended that this be left to the courts and the due legal process.</p>

No	Unitholder/Proxy	Comments/Questions	Responses/Answers
3	Teh Min King (unitholder)	<p>He highlighted that many shop owners are renting out just enough to recover for the service charge costs. Even tenants from good locations on the Ground Floor are still moving out. The escalators are not functioning and parking rate is high compared to other malls. He hoped that Management would resolve the broken escalator concerns as it could be a hazard to its users.</p>	<p>The Chairman noted the comments and informed that Management would look into the concerns raised. However, he highlighted that even for AmFIRST REIT, it is also renting out its lots just enough to cover the service charges incurred.</p>
4	Leo Ann Puat (unitholder)	<p>From his observations of today's AGM, he suggested that next year:</p> <ol style="list-style-type: none"> <li>1. More printed copies of the Annual Reports be prepared and the voting tags of those who have taken the Annual Report be marked</li> <li>2. More breakfast vouchers and door gifts be prepared</li> <li>3. The breakfast queues be managed to reduce queueing time.</li> </ol>	<p>The Chairman noted his comments and shared with the meeting that the overall turnout at last year's AGM was around 500 pax. Hence, Management forecasted for around 750 pax this year and further increased by a another 100 pax subsequently before the meeting but actual turnout was unexpectedly high at over 900 pax this year.</p> <p>He regretted the inconvenience and assured that he and Management would follow up with the vouchers and taken note of the experience learnt when managing next year meeting.</p>

No	Unitholder/Proxy	Comments/Questions	Responses/Answers
		<p>He further enquired on the following matters:</p> <p>a) If the occupancy rate is expected to increase next year considering the challenging market conditions?</p> <p>b) In terms of percentage, how many existing tenancies will expire in the next 2 years?</p>	<p>The CEO replied that tenancy was typically between 2-3 years, and for 2020, a small percentage of the tenancies are expiring next year particularly at Prima 9. The targeted occupancy threshold is 90%, and Management plans to continue sustaining the high occupancy.</p>
5	Tham Wing Chong (Proxy)	<p>He reiterated the deterioration of Summit Subang as he himself is also a lot owner in the mall. Despite the RM73 million refurbishment, rentals have been declining but service charges have increased. Even his pleas to the mall management for assistance to source for a willing tenant even at the rental rate of RM500-RM600, which is lower than the current service charges, has been unfruitful. He emphasized that comparison should not be made against Da Men Mall and announced his decision that he is prepared to rent out Lot 171 of Summit Subang at the minimal rate sufficient to break-even for the monthly service charges for the</p>	<p>The CEO noted his comments and informed that Management is looking at how to improve the overall mall occupancy via CMO.</p>

No	Unitholder/Proxy	Comments/Questions	Responses/Answers
		lot, if Management is able to source a willing tenant for his unit.	
6	Loke Yoon Hoe (unitholder)	He enquired on the following matters:  1. When did the floating rate reset?  2. Is there any parking rate incentive planned for the Subang Summit to bring in more traffic to the mall?	The CFO replied that the reduction in OPR took place in May 2019. 75% or around RM600 million of its borrowings which is currently subject to floating rate is rolled over on a monthly basis. Therefore, the interest saving from the revised rate will be enjoyed upon expiry of the monthly rollover of the respective borrowings.  The CEO noted that the current parking rate is RM4.00 for the first hour which many have complained it was expensive. Management has begun discussions with the mall management to come up with adjustments or incentives to resolve this by this year.
7	Alfred Chan Hock Kun (unitholder)	He enquired on the following matters:  a) Which floor is the theme park being planned to be built on?  b) With most attractions such as the GSC cinema moved up to the 4 <sup>th</sup> floor, what are the planned improvements for the shop lots on the 3 <sup>rd</sup> floor, considering the premium rates that is being	The CEO replied that the theme park would be built on the 2 <sup>nd</sup> and 3 <sup>rd</sup> floor of the mall.  The CEO agreed that more traffic needs to be brought into the mall and informed that he will bring this up at the next CMO meeting for discussions.

No	Unitholder/Proxy	Comments/Questions	Responses/Answers
		<p>charged for the 3<sup>rd</sup> floor units where the main attractions were originally planned to be built on.</p>	
8	Tan Teong Huat (unitholder)	<p>He enquired on the following matters:</p> <p>a) How much is Summit Subang's contribution to the net revenue of the REIT?</p> <p>b) Considering the continued concerns surrounding the Summit Subang, what actions have been planned to improve condition and traffic at the mall?</p>	<p>The CEO replied that Summit Subang USJ contributes an estimate of 20% of the total revenue of the REIT.</p> <p>The CEO will be meeting the mall management and tenants to find ways to improve the condition and traffic at the mall.</p>
9	Teh Ming King (unitholder)	<p>He suggested that Management pick up some guidance and good examples from the management of Damansara Uptown who have offered incentives such as free parking for 1<sup>st</sup> hour, good mix of F&amp;B tenants and big brand names at the Starling Malls to bring in traffic crowd.</p>	<p>The Chairman replied that he know the management of Starling Mall and that they do share feedbacks and experiences to see how to better improve the management of their malls.</p>

<b>No</b>	<b>Unitholder/Proxy</b>	<b>Comments/Questions</b>	<b>Responses/Answers</b>
10.	Muniandy Karishnan (unitholder)	He enquired on the following matters:  a) Is there a contingency plan to get the investments back on track in the next 1 to 2 years?  b) Other than selling of its non-core business, is there any other way to revitalize the property in another form, such as converting it into a residency instead in view of the nearby university population?	The Chairman replied that the Board is doing its best to come up with solutions and alternatives to improve the occupancy rates. Currently, the occupancy rate for some properties such as Cyberjaya are manageable, but for other older properties, Management is focusing on upgrading works and finding the right tenant mix for these buildings.  So far the REIT's financial performance remains stable and he assured that Management will constantly find ways to make improvements.
11.	Ting Kien Hua (unitholder)	He enquired as to how Management can reduce the gearing to 30%?	The Chairman replied that it can be achieved by way of selling off some buildings or issuing new units, if there is a drop in value of the properties. Currently, agents have been appointed to scout for potential buyers, but Management is aiming not to sell the properties below market value.



No	Unitholder/Proxy	Comments/Questions	Responses/Answers
12.	Leo Ann Puat (unitholder)	<p>He enquired on the following matters:</p> <p>a) Are all assets owned profit making and able to cover the interests cost?</p> <p>b) Even though Menara AmFIRST and Summit Subang are strategically located, has Management considered any incentives to improve tenancy in the malls? Most of the time the parking at Summit Subang is crowded but its mall traffic is poor compared to Pavilion, unless events are being organized.</p> <p>c) What is the percentage of unit lots in Summit Subang held by AmFIRST REIT compared to individual title holders?</p>	<p>The CFO replied that the REIT currently invests in 9 properties and there are properties which are yielding below interest cost namely Summit Subang. The recent increase in service charge has further brought down its net property income yield. Menara AmFIRST, where occupancy rate is low at 68%, is also yielding below interest cost.</p> <p>On the Summit carpark rate, the Chairman agreed that reducing the parking rate is effective when the parking occupancy is low, but as it was the opposite case for the Summit Subang USJ, it would not be an effective method to bring in traffic to the mall by lowering the carpark rate. He noted the feedback and suggestions and would bring them to the mall management team for discussion and consideration.</p> <p>The Chairman replied that AmFIRST REIT currently owed about 87% of the share unit of Summit Subang USJ.</p>

<b>No</b>	<b>Unitholder/Proxy</b>	<b>Comments/Questions</b>	<b>Responses/Answers</b>
13.	Alex See Han Chow (Proxy)	He enquired if the new trend of renting of co-working office space would affect AmFIRST REIT's business model?	The Chairman replied that Management is aware of this new trend and has, in collaboration with one of the pioneers of this field, Regus, set-up a new co-working space at the Summit Subang USJ. AmFIRST REIT is currently working with them to bring in more tenants into the building as it is getting more popular now.