



AmFIRST REAL ESTATE INVESTMENT TRUST

CONDENSED FINANCIAL STATEMENTS

FIRST QUARTER

(From 1 April 2011 To 30 June 2011)

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AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

For the First Quarter Ended 30 June 2011

	Current Year Quarter 30.06.11 RM'000	Preceding Year Corresponding Quarter 30.06.10 RM'000	Current Year To Date 30.06.11 RM'000	Preceding Year To Date 30.06.10 RM'000
Gross revenue	22,748	25,114	22,748	25,114
Property expenses	(7,438)	(7,457)	(7,438)	(7,457)
Net property income	15,310	17,657	15,310	17,657
Interest income	48	106	48	106
Other income	1	-	1	-
	15,359	17,763	15,359	17,763
Administration expenses				
Manager's fee	(1,244)	(1,270)	(1,244)	(1,270)
Trustee's fee	(60)	(58)	(60)	(58)
Valuation fee	(45)	(32)	(45)	(32)
Auditors' remuneration	(4)	(4)	(4)	(4)
Tax agent fee	(3)	(3)	(3)	(3)
Others	(144)	(2,927)	(144)	(2,927)
Interest expense	(4,256)	(3,528)	(4,256)	(3,528)
	(5,756)	(7,822)	(5,756)	(7,822)
Net Trust Income	9,603	9,941	9,603	9,941
Loss arising from measuring non-current financial liabilities measure at amortized cost	(165)	-	(165)	-
Net income before taxation	9,438	9,941	9,438	9,941
Taxation	-	-	-	-
Income for the period	9,438	9,941	9,438	9,941
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	9,438	9,941	9,438	9,941
Total comprehensive income for the period is made up as follows:-				
- Realized	9,603	9,941	9,603	9,940
- Unrealized	(165)	-	(165)	-
	9,438	9,941	9,438	9,941
Earnings per unit (sen)				
- Basic	2.20	2.32	2.20	2.32
- Diluted	N/A	N/A	N/A	N/A

The Condensed Statements of Comprehensive Income should be read in conjunction with the audited financial statement for the year ended 31 March 2011 and the accompanying explanatory notes.

AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

As at 30 June 2011

	As At 30 June 2011 (Unaudited) RM'000	AS AT 31 March 2011 (Audited) RM'000
ASSETS		
Non-Current Assets		
Investment properties	1,025,472	1,024,000
Current Assets		
Receivables	21,262	7,439
Fixed deposits with licensed banks	1,130	12,958
Cash and bank balances	352	865
	22,744	21,262
TOTAL ASSETS	1,048,216	1,045,262
LIABILITIES		
Non-Current Liabilities		
Rental deposits	10,748	10,720
Borrowings	242,000	298,000
	252,748	308,720
Current Liabilities		
Payables	7,604	10,024
Rental deposits	12,386	11,533
Borrowings	181,248	109,000
	201,238	130,557
TOTAL LIABILITIES	453,986	439,277
NET ASSET VALUE	594,230	605,985
FINANCED BY:		
Net asset value attributable to unitholders		
Unitholders' Capital	429,001	429,001
Less : Establishment and issue expenses	(2,128)	(2,128)
Undistributed income	167,357	179,112
	594,230	605,985
Number of units in circulation ('000)	429,001	429,001
Net Asset Value per unit (RM)		
- before income distribution	1.3851	1.4125
- after income distribution	1.3631	1.3631

The Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes.

AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE For The First Quarter Ended 30 June 2011

	Unitholders' Capital RM'000	Distributable Undistributed Income RM'000	Non Distributable Income RM'000	Unitholders' Fund RM'000
Opening balance as at 1 April 2010	426,873	96	153,676	580,645
Add : Effects of adopting amended FRS 110	-	20,935		20,935
Add : Effects of adopting FRS 139	-	-	613	613
As at 1 April 2010, as re-stated	426,873	21,031	154,289	602,193
Total comprehensive income for the period	-	9,941	-	9,941
<i>Unitholders' transactions</i>				
Distribution to Unitholders	-	(20,935)	-	(20,935)
Closing balance as at 30 June 2010	426,873	10,037	154,289	591,199
Opening balance as at 1 April 2011	426,873	21,211	157,901	605,985
Total comprehensive income for the period	-	9,603	(165)	9,438
<i>Unitholders' transactions</i>				
Distribution to Unitholders	-	(21,193)	-	(21,193)
Closing balance as at 30 June 2011	426,873	9,621	157,736	594,230

The Condensed Statements of Changes in Net Asset Value should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes.

AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS

For The First Quarter Ended 30 June 2011

	1 April 2011 To 30 June 2011 RM'000	1 April 2010 To 30 June 2010 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Net income before taxation	9,438	9,941
<i>Adjustment for :-</i>		
Interest income from placements with financial institutions	(48)	(106)
Impairment loss/(Reversal of impairment loss) on trade receivables	45	(58)
Interest expenses	4,256	3,528
Loss arising from measuring non-current financial liabilities measured at amortized cost	165	-
Operating income before working capital changes	13,856	13,305
Changes in working capital		
(Increase)/Decrease in receivables	(13,868)	4,158
Decrease in payables	(2,567)	(1,644)
Increase in rental deposits	697	263
Net cash (used in) / generated from operating activities	(1,882)	16,082
CASH FLOW FROM INVESTING ACTIVITIES		
Upgrade / enhancement in investment properties	(1,472)	(1,306)
Interest income	48	106
Net cash used in investing activities	(1,424)	(1,200)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(4,090)	(2,707)
Distributions to Unitholders	(21,193)	(20,935)
Drawdowns from borrowings	16,248	-
Net cash used in financing activities	(9,035)	(23,642)
Net change in cash and cash equivalents	(12,341)	(8,760)
Cash and cash equivalents at the beginning of period	13,823	25,244
Cash and cash equivalents at the end of period	1,482	16,484

A CASH AND CASH EQUIVALENTS COMPRISE :-

Fixed deposit with licensed bank	1,130	15,492
Cash and bank balances	352	992
	<u>1,482</u>	<u>16,484</u>

The Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The First Quarter Ended 30 June 2011

EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (FRS) 134

A1. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 134 and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in its most recent Audited Financial Statements for the financial year ended 31 March 2011.

A2. DECLARATION OF AUDIT QUALIFICATION

There was no audit qualification on the financial statements for the year ended 31 March 2011.

A3. SEASONALITY AND CYCLICALITY OF OPERATIONS

The operations of AmFIRST are not subjected to seasonal or cyclical fluctuation.

A4. UNUSUAL ITEMS

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size of incidence.

A5. CHANGES IN ESTIMATES

There were no changes in estimates that have had a material effect for the quarter under review.

A6. ISSUANCE, CANCELLATIONS, REPURCHASES AND REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuances or repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the quarter under review.

A7. SEGMENT INFORMATION

Segmental reporting is not applicable.

A8. INCOME DISTRIBUTION PAID

	Total RM'000	Per Unit (Sen)
Final income distribution for the six-month financial period ended 31 March 2011, paid on 31 May 2011	21,193	4.94

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For The First Quarter Ended 30 June 2011

A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT BROUGHT FORWARD

The valuations of land and buildings have been brought forward without amendment from the financial statements for the year ended 31 March 2011.

A10. MATERIAL SUBSEQUENT EVENTS

There are no material events subsequent to the end of the reporting quarterly period.

A11. CHANGES IN THE COMPOSITION OF THE TRUST

There were no changes in the composition of AmFIRST during the quarter under review and the fund size stand at 429,001,000 units.

A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets to be disclosed.

A13. REALIZED AND UNREALIZED INCOME DISCLOSURE

The breakdown of undistributed income as at 30 June 2011 into realized and unrealized is as summarized below:-

	As At 30.06.2011 RM'000	As At 31.03.2011 RM'000
<u>Realized</u>		
Distributable undistributed income	9,621	21,211
<u>Unrealized</u>		
Cumulative net change arising from the fair value of investment properties	156,925	156,925
Gain arising from measuring non-current financial liabilities measured at amortized cost	811	976
	157,736	157,901
	167,357	179,112

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For The First Quarter Ended 30 June 2011

ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. REVIEW OF PERFORMANCE

The Trust registered gross revenue of RM22,748,496 and net property income of RM15,310,589. Net income after taxation was RM9,438,264, comprising realized net income of RM9,603,088 and unrealized net loss of RM164,824 arising from measuring non-current financial liabilities measured at amortized cost.

The realized net income of RM9,603,088 was slightly lower than preceding year's corresponding quarter by 3.4% mainly due to higher interest expense as result of increased in interest rate.

B2. MATERIAL CHANGES IN QUARTER RESULTS

	Current Quarter Ended 30.06.2011 RM'000	Immediate Preceding Quarter Ended 31.03.2011 RM'000
Net Income After Taxation	9,438	14,419
Net Income After Taxation is made up of:		
- Realized	9,603	10,898
- Unrealized	(165)	3,521
	9,438	14,419

Included in the realized net income after taxation of immediate preceding quarter was the compensation of land acquisition of RM1,890,517.

Excluding this one off compensation in the preceding quarter, the current quarter realized net income after taxation of RM9,603,088 was 6.6% higher than immediate preceding quarter of RM9,006,498 mainly due to higher rental and car park income.

B3. CHANGES IN THE STATE OF AFFAIRS

There were no material changes in the state of affairs of the Trust for the quarter under review.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For The First Quarter Ended 30 June 2011

B4. CHANGES IN PORTFOLIO COMPOSITION

There was no material change in the portfolio composition of the Trust for the quarter under review. As at 30 June 2011, AmFIRST's composition of investment portfolio is as follows:-

Real Estate	Type	Cost of Investment* RM'000	Market Value ** RM'000	Market Value As a % of NAV
Bangunan AmBank Group	Commercial Office	182,158	231,000	38.8
AmBank Group Leadership Centre	Commercial Office	19,586	20,700	3.5
Menara Merais	Commercial Office	63,841	64,000	10.8
Menara AmBank	Commercial Office	231,975	299,000	50.3
Kelana Brem Towers	Commercial Office	86,051	111,000	18.7
The Summit	Mixed Commercial	284,937	298,300	50.2
		868,548	1,024,000	

* Cost of investment comprised purchase consideration and capital expenditure incurred during the period .

** Based on latest valuation as at 31 March 2011

B5. CHANGES IN NET ASSET VALUE AND UNIT PRICE

	As At 30.06.2011 RM'000	As At 31.03.2011 RM'000
Net Asset Value ("NAV")	594,230	605,985
NAV Per Unit (RM)		
- Before income distribution	1.3851	1.4125
- After income distribution	1.3631	1.3631
Unit Price Per Unit (RM)	1.18	1.16

The NAV per unit after income distribution is the NAV as at reporting period end after adjusting for income distribution which is approximately 100% of realized distributable income for the respective reporting period end.

The NAV per unit before income distribution as at 30 June 2011 was lower as compared to immediate preceding quarter due to income distribution paid on 31 May 2011, as disclosed in Note A8.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For The First Quarter Ended 30 June 2011

B6. REVIEW OF COMMERCIAL PROPERTY MARKET

Commercial office market remained soft with rental rates experience downward pressure amidst the anticipation of substantial incoming supply, while the retail sector continues to be resilient and vibrant with high occupancy in all the established shopping malls.

B7. PROSPECTS

The three properties within the Kuala Lumpur City Centre, namely, Bangunan AmBank Group, Menara AmBank and AmBank Group Leadership Centre continued to enjoy high occupancies, whilst others properties, namely Menara Merais, Kelana Brem Towers and The Summit USJ had seen progressive improvement in occupancies during the quarter under review. Particularly, as at 30 June 2011, the occupancies of Menara Merais and Kelana Brem Towers had improved to 71% and 77% from the occupancy of 53% and 60% respectively as at 31 March 2011. The improved occupancy will provide strong income support to the Trust.

The Manager will continue to proactively manage the asset under the portfolio to safeguard the income stream of the Trust whilst pursuing strategies yield accretive acquisition opportunities

Barring any unforeseen circumstances, the Manager expects the Trust to perform satisfactory for the financial year ending 31 March 2012.

B8. UTILISATION OF PROCEEDS RAISED FROM ANY ISSUANCE OF NEW UNITS

There were no issuances of new units for the quarter under review.

B9. CIRCUMSTANCES AFFECTING INTEREST OF UNITHOLDERS

There were no unusual circumstances which materially affect the interest of the Unitholders for the quarter under review.

B10. CHANGES IN MATERIAL LITIGATION

There was no material litigation as the date of this report.

B11. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but not completed at the latest practicable date of this report except for the announcement made on 10 June 2011 for the proposed acquisition by AmFIRST of all that piece of land held under Geran 207783, Lot 23582 in the Mukim of Dengkil, District of Sepang, State of Selangor Darul Ehsan together with two office buildings, consisting of a seven storey building with two levels of basement car park, identified as Prima 9 for a cash consideration of RM72,000,000 and a seven storey building with two levels of basement car park, identified as Prima 10 for a cash consideration of RM61,000,000 from Complete Event Sdn Bhd.

The proposed acquisition is pending the fulfillment of condition precedents as stipulated in the Sale and Purchase Agreement dated 10 June 2011.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For The First Quarter Ended 30 June 2011

B12. MAJOR MAINTENANCE COSTS AND CAPITAL EXPENDITURE

For the three months period ended 30 June 2011, a total of approximately RM1.5 million has been incurred for upgrading and enhancement of investment properties with bulk of the amount spent on the renovation and upgrading of common area in Bangunan AmBank Group.

B13. SOFT COMMISSION

During the quarter ended 30 June 2011, the Manager did not receive any soft commission from its broker or dealer by virtue of transaction conducted by the Trust.

B14. REVENUE RECOGNITION

Rental and interest income are recognized on an accrual basis.

B15. MANAGER'S FEE

Pursuant to the Trust Deed, the Manager's fee consist of a base fee up to 0.5% per annum of the total asset value of AmFIRST (excluding any taxes payable) and a performance fee of 3.0% per annum of net property income (excluding any taxes payable), accruing monthly but before deduction of property management fee.

For the quarter ended 30 June 2011, the Manager's fee consists of a base fee of 0.30% per annum and performance fee of 3.0% per annum.

B16. TRUSTEE'S FEE

Pursuant to the Trust 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 quarter ended 30 June 2011 is calculated based on 0.04% per annum of the net asset value.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For The First Quarter Ended 30 June 2011

B17. UNIT HELD BY RELATED PARTIES

As at 30 June 2011, the Manager did not hold any Units in AmFIRST. However, the parties related to the Manager who holds units in AmFIRST are as follows:

(a) Unitholdings of companies related to the Manager

	Number of Unit 000	Market Value RM'000
AmEquities Sdn Bhd	80,000	94,400
RCE Synergy Sdn Bhd	33,564	39,606
Amcorp Group Berhad	26,112	30,812
AmBank (M) Berhad	25,344	29,906
Jadeline Capital Sdn Bhd	23,105	27,264
AmLife Insurance Berhad on behalf of Life Non Par	4,500	5,310
AmLife Insurance Berhad on behalf of General Fund	3,000	3,540
AmLife Insurance Berhad on behalf of Life Fund	2,500	2,950
AmInvestment Bank Berhad	1	1

(b) Direct unitholdings of Directors of the Manager

	Number of Unit 000	Market Value RM'000
Cheah Tek Kuang	1	1

(c) Indirect unitholdings of Directors of the Manager

	Number of Unit 000	Market Value RM'000
Lim Hwee Chiang #	23,105	27,264

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

The market value is determined by multiplying the number of units with the unit price of RM1.18 per unit as at 30 June 2011.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For The First Quarter Ended 30 June 2011

B18. TAXATION

Pursuant to the amendment of Section 61A of the Income Tax Act, 1967, where in the basis period for a year of assessment, 90% or more of the total income of the trust is distributed to unitholder, the total income of the trust for that year of assessment shall be exempted from tax.

There will be no tax payable as AmFIRST intends to distribute at least 90% of the distributable income to Unitholders for the financial year ending 31 March 2012.

Reconciliation between the applicable income tax expense and the effective income tax expense of the Trust is as follows:-

	Current Quarter Ended 30.06.2011 RM'000	Preceding Corresponding Quarter Ended 30.06.2010 RM'000
Current tax expense	-	-
Reconciliation of effective tax expense		
Income before taxation	9,438	9,941
Income tax using Malaysian tax rate of 25% (2010 : 25%)	2,359	2,485
Effects of non-deductible expenses	18	18
Effect of measuring non-current financial liabilities measured at amortized cost	(41)	-
Effects of income exempted from tax	(2,336)	(2503)
Tax expense	-	-

B19. INCOME DISTRIBUTION

During the quarter under review, the Trust had on 31 May 2011, paid a final income distribution of 4.94 sen per unit for the six-month financial period from 1 October 2010 to 31 March 2011, totaling RM21,192,649, which is in line with objectives of AmFIRST to deliver regular and stable distribution to Unitholders.

Pursuance to the amended Section 109D of the Income Tax Act, 1967, the following withholding tax will be deducted for distribution made to following types of Unitholders: -

- Resident and non-resident individuals (Withholding tax at 10%)
- Resident and non-resident institution (Withholding tax at 10%)
- Resident corporate (No withholding tax. Subject to corporate tax at prevailing rate)
- Non-resident corporate (Withholding tax at 25% for the Year of Assessment 2010).

B20. STATEMENT BY THE DIRECTORS OF THE MANAGER

In the opinion of the Directors of the Manager, this quarterly report has been prepared in accordance with FRS 134 : Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of AmFIRST as at 30 June 2011 and of its financial performance and cash flows for the period ended on that date and duly authorized for released by the Board of the Manager on 10 August 2011.