



AmFIRST

Real Estate Investment Trust

AmFIRST REAL ESTATE INVESTMENT TRUST

CONDENSED FINANCIAL STATEMENTS

FOURTH QUARTER ENDED 31 MARCH 2012

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AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME For The Fourth Quarter Ended 31 March 2012

	Current Year Quarter 31.03.2012 RM'000	Preceding Year Corresponding Quarter 31.03.2011 RM'000	Current Year To Date 31.03.2012 RM'000	Preceding Year To Date 31.03.2011 RM'000
Gross revenue	27,153	19,115	97,980	88,539
Property expenses	(9,032)	(7,628)	(32,100)	(32,011)
Net property income	18,121	11,487	65,880	56,528
Interest and other income	21	69	120	284
Compensation from land acquisition	91	1,891	91	5,672
	18,233	13,447	66,091	62,484
Administrative expenses				
Manager's fee	(1,451)	(1,224)	(5,376)	(4,933)
Trustee's fee	(60)	(60)	(239)	(234)
Valuation fee	(115)	(53)	(250)	(150)
Auditors' remuneration	(9)	(4)	(20)	(15)
Tax agent fee	(3)	(3)	(12)	(12)
Others expenses	354	2,573	(481)	(675)
Interest expense	(5,952)	(3,778)	(19,720)	(14,715)
	(7,236)	(2,549)	(26,098)	(20,734)
Net Trust Income	10,997	10,898	39,993	41,750
Change in fair value of investment properties	12,241	3,248	12,241	3,248
(Loss)/Gain arising from measuring non-current financial liabilities measured at amortized cost	(59)	273	(42)	364
Net income before taxation	23,179	14,419	52,192	45,362
Taxation	-	-	-	-
Income for the period	23,179	14,419	52,192	45,362
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	23,179	14,419	52,192	45,362
Total comprehensive income for the period is made up as follows:-				
- Realized	10,997	10,898	39,993	41,750
- Unrealized	12,182	3,521	12,199	3,612
	23,179	14,419	52,192	45,362
Earnings per unit (sen)				
- Basic	5.40	3.36	12.17	10.57
- Diluted	N/A	N/A	N/A	N/A

The Condensed Statement of Comprehensive Income 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 STATEMENT OF FINANCIAL POSITION

As At 31 March 2012

	As At 31.03.2012 (Unaudited) RM'000	As At 31.03.2011 (Audited) RM'000
ASSETS		
Non-Current Assets		
Investment properties	1,179,844	1,024,000
Current Assets		
Receivables, prepayments and deposits	8,428	7,439
Fixed deposits with licensed bank	9,235	12,958
Cash and bank balances	1,035	865
	18,698	21,262
TOTAL ASSETS	1,198,542	1,045,262
LIABILITIES		
Non-Current Liabilities		
Rental deposits	9,492	10,720
Borrowings	170,000	298,000
	179,492	308,720
Current Liabilities		
Payables	5,357	10,024
Rental deposits	15,928	11,533
Borrowings	380,000	109,000
	401,285	130,557
TOTAL LIABILITIES	580,777	439,277
NET ASSET VALUE	617,765	605,985
FINANCED BY:		
UNITHOLDERS' FUND		
Unitholders' capital	426,873	426,873
Undistributed income	190,892	179,112
	617,765	605,985
Number of units in circulation ('000)	429,001	429,001
Net Asset Value ("NAV") per unit (RM)		
- before income distribution	1.4400	1.4125
- after income distribution	1.3917	1.3631

The Condensed Statement 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 STATEMENT OF CHANGES IN NET ASSET VALUE For The Fourth Quarter Ended 31 March 2012

	Unitholders' Capital RM'000	Distributable Undistributed Income RM'000	Non Distributable Income RM'000	Unitholders' Fund RM'000
<u>Current Year To Date</u>				
As At 1 April 2011	426,873	21,211	157,901	605,985
Total comprehensive income for the year	-	39,993	12,199	52,192
<i><u>Unitholders' transactions</u></i>				
Distribution to Unitholders	-	(40,412)	-	(40,412)
As At 31 March 2012	<u>426,873</u>	<u>20,792</u>	<u>170,100</u>	<u>617,765</u>
<u>Preceding Year To Date</u>				
As At 1 April 2010	426,873	21,031	154,289	602,193
Total comprehensive income for the year	-	41,750	3,612	45,362
<i><u>Unitholders' transactions</u></i>				
Distribution to Unitholders	-	(41,570)	-	(41,570)
As At 31 March 2011	<u>426,873</u>	<u>21,211</u>	<u>157,901</u>	<u>605,985</u>

The Condensed Statement 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 STATEMENT OF CASH FLOWS For The Fourth Quarter Ended 31 March 2012

	Current Year To Date 31.03.2012 RM'000	Preceding Year To Date 31.03.2011 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Net income before taxation	52,192	45,362
<i>Adjustment for :-</i>		
Interest income from placements with license bank	(104)	(273)
Reversal of impairment loss on trade receivables	(457)	(354)
Trade receivables written-off	175	188
Interest expenses	19,720	14,715
Change in fair value of investment properties	(12,241)	(3,248)
(Loss)/Gain arising from measuring non-current financial liabilities measured at amortized cost	42	(364)
Operating income before working capital changes	59,327	56,024
Changes in working capital		
(Increase)/Decrease in receivables	(707)	3,686
Decrease in payables	(4,252)	(1,000)
Increase in rental deposits	3,104	4,349
Net cash generated from operating activities	57,472	63,058
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investment properties	(134,651)	(12,752)
Upgrade / enhancement in investment properties	(8,952)	-
Interest income	104	273
Net cash used in investing activities	(143,499)	(12,479)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(20,114)	(14,432)
Distributions to Unitholders	(40,412)	(41,570)
Drawdown/(Repayment) of borrowings	143,000	(6,000)
Net cash generated from/(used in) financing activities	82,474	(62,002)
Net change in cash and cash equivalents	(3,553)	(11,422)
Cash and cash equivalents at the beginning of period	13,823	25,244
Cash and cash equivalents at the end of period	10,270	13,822

A CASH AND CASH EQUIVALENTS COMPRISE :-

Fixed deposit with licensed bank	9,235	12,958
Cash and bank balances	1,035	865
	10,270	13,823

The Condensed Statement 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 Fourth Quarter Ended 31 March 2012

EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134

A1. BASIS OF PREPARATION

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

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those adopted in the preparation of audited financial statements of AmFIRST Real Estate Investment Trust (“AmFIRST REIT” or the “Trust”) for the financial year ended 31 March 2011 except for the adoption of the relevant new FRSs, amendments to FRSs and IC Interpretations that are effective for annual period beginning on or after 1 April 2011. The adoption of new FRSs, amendments to FRSs and IC Interpretations does not have any material impact on the financial position.

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 the Trust are not subjected to seasonal or cyclical fluctuation.

A4. UNUSUAL ITEMS

There were no items affecting assets, liabilities, equity, net income or cash flow that are unusual because of their nature, size or 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, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review.

A7. SEGMENT INFORMATION

No segment information is prepared as the Trust’s activities are predominantly in one industry and situated predominantly in Malaysia.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2012

A8. INCOME DISTRIBUTION PAID

There was no income distribution paid during the quarter under review.

The Board of Director of the Manager of AmFIRST REIT, has declared a final income distribution of 4.83 sen per unit, amounting to RM20,720,748, representing approximately 100% of the realized distributable net income for the six-month period ended 31 March 2012, payable on 31 May 2012 as disclosed in note B18 below.

A9. VALUATION OF INVESTMENT PROPERTIES

During the quarter under review, a revaluation exercise was undertaken for six (6) properties of AmFIRST REIT (excluding Prima 9 and Prima 10 of which latest revaluations for both properties were done on 12 April 2011 pursuant to the clauses 10.02 of the Securities Commission's REIT Guidelines) pursuant to Clause 10.03 of the Securities Commission's REIT Guidelines and FRS 140.

Description of Property	Tenure of Land	Location	Existing Use	Acquisition Cost As At 31.03.2012 RM	Fair Value As At 31.03.2012 RM	% of Valuation to Net Asset Value As At 31.03.2012
Menara AmBank	Freehold	Kuala Lumpur	Office	230,169,542	306,000,000	49.5%
Bangunan AmBank Group	Leasehold	Kuala Lumpur	Office	180,152,206	237,500,000	38.4%
Menara AmFIRST (formerly known as Menara Merais)	Freehold	Petaling Jaya	Office	57,080,705	67,800,000	11.0%
AmBank Group Leadership Centre	Freehold	Kuala Lumpur	Office	19,056,513	20,700,000	3.4%
Wisma AmFIRST (formerly known as Kelana Brem Towers)	Leasehold	Kelana Jaya	Office	86,050,991	111,000,000	18.0%
The Summit Subang USJ	Freehold	Subang Jaya	Mixed Commercial Complex	278,719,366	302,200,000	48.9%
Prima 9	Freehold	Cyberjaya	Office	72,897,514	72,897,514	11.8%
Prima 10	Freehold	CyberJaya	Office	61,746,610	61,746,610	10.0%
				985,873,447	1,179,844,124	

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2012

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 the Trust during the quarter under review, and the fund size stands 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 into realized and unrealized as at 31 March 2012 are summarized as below:-

	As At 31.03.2012 RM'000	As At 31.03.2011 RM'000
<i>Realized</i>		
Distributable undistributed income	20,793	21,211
<i>Unrealized</i>		
Cumulative net change arising from the fair value of investment properties	169,165	156,925
Gain arising from measuring non-current financial liabilities at amortized cost	934	976
	170,099	157,901
	<u>190,892</u>	<u>179,112</u>

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2012

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

B1. REVIEW OF PERFORMANCE

For the current year ended 31 March 2012, the Trust recorded gross revenue and net property income of RM97.98 million and RM65.88 million respectively, representing an increase of 10.7% and 16.5% respectively as compared to preceding year.

The realized net income was RM39.99 million and this represents an increase of 10.8% as compared with the year before of RM36.07 million (after excluding the 'one-off' compensation arising from land acquisition).

These improved results were mainly due to additional contribution from the newly acquired investment properties, Prima 9 and Prima 10 Cyberjaya, which acquisition was completed on 30 November 2011 as well as improved occupancy and car park income from the existing investment properties.

For the year ended 31 March 2012, the Trust registered a gain of RM12.24 million arising from the change in the fair value of its investment properties. Inclusive of the unrealized net income, the total net income for the year ended 31 March 2012 amounted to RM52.19 million, an increase of 15.1% as compared to RM45.36 million in the preceding year.

B2. CHANGES IN THE STATE OF AFFAIRS

There was no material change in the state of affairs of the Trust for the quarter under review.

B3. CHANGES IN PORTFOLIO COMPOSITION

There were no material changes in the portfolio composition of AmFIRST for the quarter under review.

B4. CHANGES IN NET ASSET VALUE AND UNIT PRICE

	As At 31.03.2012 RM'000	As At 31.03.2011 RM'000
Net Asset Value ("NAV")	617,765	605,985
NAV Per Unit (RM)		
- Before income distribution	1.4400	1.4125
- After income distribution	1.3917	1.3631
Closing Unit Price Per Unit (RM)	1.19	1.16

The NAV per Unit after income distribution is calculated after taking into consideration for income distribution of approximately 100% of the realized distributable income at the end of the reporting period.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2012

B5. REVIEW OF COMMERCIAL PROPERTY MARKET

The overall office occupancies and rentals remain flat arising from several completed new office buildings and anticipated substantial new supply coming on-stream. This has impacted and put pressure on occupancies and rental rates especially in the vicinity of Kuala Lumpur City Centre.

The retail sector remains upbeat with established shopping complexes continuing to enjoy high occupancies. Challenges ahead include pipeline of more shopping complexes to be completed and planned in the near term as well as consumer spending power.

B6. PROSPECTS

The on-going leasing and market strategies implemented in the past year has seen improved occupancies at some of the Trust's properties and coupled with asset enhancement initiatives planned in the coming year, the Manager is confident of raising occupancy in the coming year.

Barring any unforeseen circumstances, the Manager expects the Trust to continue deliver sustainable performance for the coming year.

B7. UTILISATION OF PROCEEDS RAISED FROM ANY ISSUANCE OF NEW UNITS

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

B8. CIRCUMSTANCES AFFECTING INTEREST OF UNITHOLDERS

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

B9. CHANGES IN MATERIAL LITIGATION

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

B10. STATUS OF CORPORATE PROPOSALS

Save as disclosed below, there were no corporate proposals announced but not completed as at the latest practicable date of this report.

Proposed Rights Issue

The Manager had on 10 August 2011, announced that AmFIRST REIT proposed to undertake the following:-

- (i) a renounceable rights issue on the basis of three (3) new Units of AmFIRST REIT ("Rights Units") for every five (5) existing Units of AmFIRST REIT at an entitlement date to be determined later ("Proposed Rights Issue"); and
- (ii) proposed increase in the existing approved fund size of AmFIRST REIT from 429,001,000 Units to 686,401,600 Units ("Proposed Increase in Fund Size").

(collectively, referred to as the "Proposals")

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2012

B10. STATUS OF CORPORATE PROPOSALS (CONT'D)

Securities Commission Malaysia had, vide its letter dated 7 March 2012, approved the following:-

- (i) the Proposed Increase in Fund Size pursuant to the Proposed Rights Issue; and
- (ii) the listing of and quotation for the Rights Units on the Main Market of Bursa Securities.

Bursa Malaysia Securities Berhad had, vide its letter dated 2 April 2012, given its approval for the listing of and quotation for the Rights Units to be issued pursuant to the Proposed Rights Issue on the Main Market of Bursa Securities.

As at the latest practicable date of this report, the Proposals are pending the approval of the unitholders at the forthcoming Unitholder' Meeting to be held on 30 April 2012.

B11. MAJOR MAINTENANCE COSTS AND CAPITAL EXPENDITURE

For the year ended 31 March 2012, a total of approximately RM8.96 million has been incurred for upgrading and enhancement of the investment properties where the bulk amount was spent on the renovation and upgrading of common area in Bangunan AmBank Group.

B12. SOFT COMMISSION

During the quarter ended 31 March 2012, the Manager did not receive any soft commission from its broker or dealer by virtue of transaction conducted by the Trust.

B13. REVENUE RECOGNITION

Rental and interest income are recognized on an accrual basis.

B14. MANAGER'S FEE

Pursuant to the Deed constituting AmFIRST REIT, the Manager's fee consist of a base fee up to 0.5% per annum of the total asset value of the Trust (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 31 March 2012, the Manager's fee consists of a base fee of 0.30% per annum and performance fee of 3.0% per annum.

B15. TRUSTEE'S FEE

Pursuant to the Deed constituting AmFIRST REIT, the Trustee is entitled to receive a fee up to 0.10% per annum of the net asset value of the Trust. The Trustee's fee for the quarter ended 31 March 2012 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 Fourth Quarter Ended 31 March 2012

B16. UNITS HELD BY RELATED PARTIES

As at 31 March 2012, the Manager did not hold any units in AmFIRST REIT. However, the parties related to the Manager who holds units in AmFIRST REIT are as follows:

	Number of Units 000	Market Value RM'000
(a) Unitholdings of companies related to the Manager		
AmEquities Sdn Bhd	80,000	95,200
Amcorp Group Berhad	26,112	31,073
AmBank (M) Berhad	25,344	30,159
Jadeline Capital Sdn Bhd	23,105	27,495
AmInvestment Bank Berhad	9,336	11,110
AmLife Insurance Berhad on behalf of Life Non Par	4,500	5,355
AMG Insurance Berhad on behalf of General Fund	3,000	3,570
AmLife Insurance Berhad on behalf of Life Fund	2,500	2,975
(b) Direct unitholdings of Directors of the Manager		
Cheah Tek Kuang	1	1
(c) Indirect unitholdings of Directors of the Manager		
Lim Hwee Chiang #	23,105	27,495
(d) Chief Executive Officer of the Manager		
Lim Yoon Peng *	50	60

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

*Deemed interest by virtue of his spouse's unitholding in AmFIRST REIT

The market value is determined by multiplying the number of units with the closing unit price of RM1.19 per unit as at 31 March 2012.

B17. 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 the Trust intends to distribute at least 90% of the distributable income to unitholders for the financial year ended 31 March 2012.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2012

B17. TAXATION (CONT'D)

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

	Current Year 31.03.2012 RM'000	Preceding Corresponding Year 31.03.2011 RM'000
Current tax expense	-	-
Reconciliation of effective tax expense		
Net Income before taxation	52,192	45,362
Income tax using Malaysian tax rate of 25% (2011 : 25%)	13,048	11,341
Effects of non-deductible expenses	61	70
Effect of measuring non-current financial liabilities at amortized cost	(11)	91
Effect of fair value adjustment on investment properties not subject to tax	3,060	812
Effects of income exempted from tax	(16,158)	(12,314)
Tax expense	-	-

B18. INCOME DISTRIBUTION

The Board of Director of the Manager of the Trust, has declared a final income distribution of 4.83 sen per unit, amounting to RM20,720,748, representing approximately 100% of the realized distributable net income for the six-month period ended 31 March 2012, payable on 31 May 2012 to the unitholders registered in the Record of Depositors on 14 May 2012.

Final income distribution for the six-month period ended 31 March 2012 is from the following sources:-

	01.10.2011 To 31.03.2012 RM'000
Rental income	51,802
Interest income	42
Other income	91
	<u>51,935</u>
Less : Expenses	<u>(31,226)</u>
	20,709
Add : Distributable undistributed income as at 1 October 2011	84
Total Income available for distribution	<u>20,793</u>
Less : Final income distribution payable on 31 May 2012	<u>(20,721)</u>
Distributable undistributable income	<u>72</u>
Gross / Net distribution per unit (Sen)	<u>4.83</u>

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2012

B18. INCOME DISTRIBUTION (CONT'D)

Pursuant to the amended Section 109D of the Income Tax Act, 1967, the following withholding tax rates will be deducted for distribution made to the following categories of unitholders:

- Resident and non-resident individuals (withholding tax at 10%)
- Resident and non-resident institution investors (withholding tax at 10%)
- Resident companies (no withholding tax, to tax at prevailing corporate tax rate)
- Non-resident corporate (withholding tax at 25%)

B19. 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 REIT as at 31 March 2012 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 26 April 2012.