



CONDENSED FINANCIAL STATEMENTS

SECOND QUARTER ENDED 30 SEPTEMBER 2024

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AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Current Year Quarter 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 RM'000	Current Year To Date 30.09.2024 RM'000	Preceding Year To Date 30.09.2023 RM'000
Gross revenue				
- Realised	25,275	24,939	50,323	48,981
- Unrealised (in relation to unbilled lease rental receivable)	755	755	1,511	1,511
	26,030	25,694	51,834	50,492
Property expenses	(11,434)	(11,060)	(22,676)	(21,949)
Net property income	14,596	14,634	29,158	28,543
Interest income	10	8	19	21
Other income	17	8	27	18
Change in fair value of investment properties	(755)	(755)	(1,511)	(1,511)
Unrealised gain/(loss) on revaluation of derivative	(757)	887	(919)	751
Unrealised gain/(loss) on financial liabilities measured at amortised cost	(142)	(28)	(285)	14
	12,969	14,754	26,489	27,836
Administrative expenses				
Manager's fee	(1,651)	(1,637)	(3,298)	(3,255)
Trustee's fee	(81)	(80)	(162)	(160)
Valuation fee	(24)	(36)	(48)	(71)
Auditors' remuneration	(12)	(15)	(30)	(33)
Tax agent's fee	(4)	(4)	(8)	(8)
Allowance/(reversal) of ECL	(114)	69	(154)	(245)
Others expenses	(169)	(339)	(351)	(563)
Interest expense	(8,434)	(8,747)	(16,736)	(17,082)
	(10,489)	(10,789)	(20,787)	(21,417)
Profit before taxation	2,480	3,965	5,702	6,419
Taxation	-	-	-	-
Profit for the financial period	2,480	3,965	5,702	6,419
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	2,480	3,965	5,702	6,419
Total comprehensive income for the period is made up as follows:				
- Realised income	3,379	3,106	6,906	5,654
- Unrealised income	(899)	859	(1,204)	765
	2,480	3,965	5,702	6,419
Number of units in circulation (Unit) ('000)	686,402	686,402	686,402	686,402
Basic Earnings Per Unit (EPU) (sen)				
- Realised	0.49	0.45	1.01	0.82
- Unrealised	(0.13)	0.13	(0.18)	0.11
	0.36	0.58	0.83	0.93

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes.

AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	As At 30.09.2024 (Unaudited) RM'000	As At 31.3.2024 (Audited) RM'000
ASSETS		
Non-Current Assets		
Investment properties	1,559,610	1,557,800
Right-of-use assets	702	857
Accrued unbilled lease receivables	34,311	32,800
Derivative	-	98
	1,594,623	1,591,555
Current Assets		
Receivables	2,941	3,643
Other receivables, deposits and prepayments	7,050	5,157
Derivative	-	35
Deposits with financial institution	1,603	1,584
Cash and bank balances	2,318	1,457
	13,912	11,876
TOTAL ASSETS	1,608,535	1,603,431
LIABILITIES		
Non-Current Liabilities		
Rental deposits	16,394	12,280
Borrowings	500,603	500,540
Derivatives	745	-
Lease liabilities	596	604
	518,338	513,424
Current Liabilities		
Payables	6,403	7,159
Lease liabilities	140	282
Rental deposits	8,179	11,635
Borrowings	263,673	256,772
Derivatives	41	-
	278,436	275,848
TOTAL LIABILITIES	796,774	789,272
NET ASSET VALUE	811,761	814,159
FINANCED BY:		
UNITHOLDERS' FUNDS		
Unitholders' capital	636,625	636,625
Undistributed income - Realised	8,061	9,255
Undistributed income - Unrealised	167,075	168,279
	811,761	814,159
Number of Units In Circulation (Unit) ('000)	686,402	686,402
Net Asset Value (NAV) per unit (RM)		
- Before income distribution	1.1826	1.1861
- After income distribution	1.1726	1.1743

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes.

AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE

	← Undistributed Income →			Unitholders' Funds RM'000
	Unitholders' Capital RM'000	Realised Income RM'000	Unrealised Income RM'000	
<u>Current Year To Date</u>				
As at 1 April 2024	636,625	9,255	168,279	814,159
Total comprehensive income for the period	-	6,906	(1,204)	5,702
<u>Unitholders' transactions</u>				
Income distribution to Unitholders				
- FY2024 Final	-	(8,100)	-	(8,100)
As at 30 September 2024	636,625	8,061	167,075	811,761
<u>Preceding Year To Date</u>				
As at 1 April 2023	636,625	13,189	155,060	804,874
Total comprehensive income for the period	-	5,654	765	6,419
<u>Unitholders' transactions</u>				
Income distribution to Unitholders				
- FY2023 Final	-	(10,708)	-	(10,708)
As at 30 September 2023	636,625	8,135	155,825	800,585

The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes.

AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Current Period To Date 30.09.2024 RM'000	Preceding Period To Date 30.09.2023 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	5,702	6,419
<i>Adjustment for :-</i>		
Accrued lease receivable	(1,511)	(1,511)
Interest income from placement with financial institution	(19)	(21)
Interest on lease liability	16	15
Interest expense	16,720	17,067
Depreciation of right-of-use assets	155	-
Allowance of ECL	154	245
Change in fair value of investment properties	1,511	1,511
Loss/(gain) on financial liabilities measured at amortised cost	285	(14)
Unrealised fair value loss/(gain) on derivatives	919	(751)
Operating profit before working capital changes	23,932	22,960
Changes in working capital		
(Increase)/Decrease in receivables	(1,345)	1,884
Increase in payables	(684)	(1,411)
Increase in deposits with financial institution	(19)	(15)
Decrease in rental deposits	373	368
Net cash generated from operating activities	22,257	23,786
CASH FLOW FROM INVESTING ACTIVITIES		
Enhancement of investment properties	(3,321)	(1,277)
Interest income	19	21
Net cash used in investing activities	(3,302)	(1,256)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(16,792)	(17,070)
Distributions paid to Unitholders	(8,100)	(10,708)
Drawdown of borrowings (net)	6,964	4,073
Payment of lease liabilities	(166)	(2)
Net cash used in from financing activities	(18,094)	(23,707)
Net increase/(decrease) in cash and cash equivalents	861	(1,177)
Cash and cash equivalents at the beginning of the year	1,457	1,656
Cash and cash equivalents at the end of the year	2,318	479
Cash and cash equivalents included in the statement of cash flows comprise of the following:		
Cash and bank balances	2,318	479
	2,318	479

The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the Second Quarter Ended 30 September 2024

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

A1. BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 : Interim Financial Reporting issued by Malaysian Accounting Standard Board (“MASB”), Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), applicable provisions of the Third Restated Deed (the “Deed”) dated 12 June 2020 and the Securities Commission Malaysia’s (“SC”) Guidelines on Listed Real Estate Investment Trusts.

The condensed financial statements do not include all of the information required for a full financial statement and should be read in conjunction with the annual financial statements for the financial year ended 31 March 2024.

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 previous financial year except for the adoption of the relevant new MFRSs, amendments to MFRSs and IC Interpretations that are effective for annual period beginning on or after 1 April 2024.

The adoption of these new MFRSs, amendment to MFRSs and IC interpretations does not have any material impact on the financial results of the Trust.

A2. DECLARATION OF AUDIT QUALIFICATION

The audited financial statements of the Trust for the preceding financial year ended 31 April 2024 was not qualified.

A3. SEASONALITY AND CYCLICALITY OF OPERATIONS

The operations of the Trust are not affected by material seasonal or cyclical fluctuation.

A4. UNUSUAL ITEMS

There were no material unusual items affecting the amounts reported for the quarter under review.

A5. CHANGES IN ESTIMATES

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

A6. ISSUANCE, CANCELLATION, REPURCHASE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuances, cancellation, repurchase, resale and repayment of debt and equity securities for the quarter under review.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the Second Quarter Ended 30 September 2024

A7. SEGMENTAL INFORMATION

No segmental information was prepared as the Trust's activities are predominantly in one operating segment and its assets are located in Malaysia.

A8. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE CURRENT QUARTER

There was no significant event subsequent to the current quarter under review.

A9. 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 an interim income distribution of 1.00 sen per unit for the six-month period from 1 April 2024 to 30 September 2024, amounting to RM6,864,016 comprising of 99% of the realised net income for the six-month financial period ended 30 September 2024, to be payable on 27 December 2024 as disclosed in note B15 below.

A10. VALUATION OF INVESTMENT PROPERTIES

The carrying value of investment properties as at 30 September 2024 are based on the valuation of independent registered valuers from the previous audited financial statements for the financial year ended 31 March 2024 and subsequent capital expenditure incurred up to the reporting date.

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 686,401,600 units as at 30 September 2024.

A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the Second Quarter Ended 30 September 2024

A13. REALISED AND UNREALISED INCOME DISCLOSURE

The breakdown of undistributed income into realised and unrealised as at 30 September 2024 was summarised as below:

	As at 30.09.2024 RM'000	As at 31.3.2024 RM'000
<u>Realised</u>		
Distributable undistributed income	13,352	14,545
Capital loss from disposal of investment properties	(4,652)	(4,652)
Cumulative net change in fair value of investment property	(638)	(638)
	8,062	9,255
<u>Unrealised</u>		
Cumulative net change in fair value of investment properties	142,535	144,046
Unrealised (loss)/gain on revaluation of derivatives	(786)	133
Unrealised gain on financial liabilities measured at amortized cost	1,081	1,367
Unrealised income - Unbilled lease receivable	24,244	22,733
	167,074	168,279
Total	175,136	177,534

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the Second Quarter Ended 30 September 2024

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

B1. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR-TO-DATE

Quarterly Results : 2Q FY2025 vs 2Q FY2024

	Current Year Quarter	Preceding Year Quarter	Changes	
	30.09.2024	30.09.2023	RM'000	%
Gross revenue				
Realised	25,275	24,939	336	1.3%
Unrealised (unbilled lease rental receivable)	755	755	-	0.0%
	26,030	25,694	336	1.3%
Property expenses	(11,434)	(11,060)	(374)	-3.4%
Net property income	14,596	14,634	(38)	-0.3%
Interest and other income	27	16	11	68.8%
Change in fair value of investment properties	(755)	(755)	-	0.0%
Unrealised gain/(loss) on revaluation of derivatives	(757)	887	(1,644)	185.3%
Unrealised loss on financial liabilities measured at amortised cost	(142)	(28)	(114)	407.1%
	12,969	14,754	(1,785)	-12.1%
Non-property expenses	(1,941)	(2,111)	170	8.1%
Allowance/(reversal) of ECL on trade receivables	(114)	69	(183)	265.2%
Interest expense	(8,434)	(8,747)	313	3.6%
Profit before taxation	2,480	3,965	(1,485)	-37.5%
Taxation	-	-	-	0.0%
Profit after taxation	2,480	3,965	(1,485)	-37.5%
Profit after taxation is made up as follow:				
- Realised net income from operation	3,379	3,106	273	8.8%
- Unrealised	(899)	859	(1,758)	204.7%
	2,480	3,965	(1,485)	-37.5%

Gross revenue for the current quarter increased by 1.3% compared to the same period of last financial year, primarily due to higher occupancy rates at The Summit Retail Mall and Jaya 99 coupled with the increase in carpark income. However, the increase has been partially reduced by the decrease in occupancy rate of Prima 10 and The Summit Subang USJ Office.

Property expenses rose by 3.4% this quarter, driven by higher preventive maintenance costs and an increase in sales and service tax from 6% to 8%, effective 1 March 2024.

Non-property expenses decreased by 8.1% mainly due to lower professional fees and printing cost.

Interest expense was lower by 3.6% due to lower weighted average interest cost of 4.37% compared to 4.53% in the preceding correspondence quarter.

Overall, the Trust achieved a higher realised net income from operations for the current quarter of RM3.4 million, compared to RM3.1 million in the same period of last financial year.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the Second Quarter Ended 30 September 2024

B1. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE - CONTD.

Financial Year to Date Results (YTD) : 6-month financial period ended 30 September 2024 vs 6-month financial period ended 30 September 2023

	Current Year To Date 30.09.2024	Preceding Year To Date 30.09.2023	Changes	
	RM'000	RM'000	RM'000	%
Gross revenue				
Realised	50,323	48,981	1,341	2.7%
Unrealised (unbilled lease rental receivable)	1,511	1,511	-	0.0%
	51,834	50,492	1,342	2.7%
Property expenses	(22,676)	(21,949)	(727)	-3.3%
Net property income	29,158	28,543	615	2.2%
Interest and other income	46	39	7	17.9%
Change in fair value of investment properties	(1,511)	(1,511)	-	0.0%
Unrealised (loss)/gain on revaluation of derivatives	(919)	751	(1,670)	-222.4%
Unrealised (loss)/gain on financial liabilities measured at amortised cost	(285)	14	(299)	-2135.7%
	26,489	27,836	(1,347)	-4.8%
Non-property expenses	(3,897)	(4,090)	193	4.7%
Reversal of ECL on trade receivables	(154)	(245)	91	-37.1%
Interest expense	(16,736)	(17,082)	346	2.0%
Profit before taxation	5,702	6,419	(717)	-11.2%
Taxation	-	-	-	0.0%
Profit after taxation	5,702	6,419	(717)	-11.2%
Profit after taxation is made up as follow:				
- Realised net income from operation	6,906	5,654	1,252	22.1%
- Unrealised	(1,204)	765	(1,969)	-257.4%
	5,702	6,419	(717)	-11.2%

Gross revenue for the six-month financial period ended 30 September 2024 increased by 2.7% compared to the same period last financial year, primarily due to higher occupancy rates at The Summit Retail Mall, Jaya 99, Prima 9 coupled with increase in carpark income. However, the increase has been partially reduced by the decrease in occupancy rate of Prima 10 and The Summit Subang USJ Office.

Property expenses rose by 3.3% mainly caused by higher preventive maintenance costs and an increase in sales and service tax from 6% to 8%, effective 1 March 2024.

Non-property expenses decreased by 4.7% mainly due to lower professional fees and printing cost.

Interest expense was lower by 2.0% due to lower weighted average interest cost of 4.36% compared to 4.44% in the preceding correspondence quarter.

Overall, the Trust achieved a higher realised net income from operations for the current financial period of RM6.9 million, compared to RM5.7 million in the same period of last financial year.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the Second Quarter Ended 30 September 2024

B2. FINANCIAL REVIEW FOR CURENT QUARTER COMPARED WITH IMMEDIATELY PRECEDING QUARTER

Quarterly Results (2Q FY2025 vs 1Q FY2025)

	Current Year	Immediate	Changes	
	Quarter	Preceding		
	30.09.2024	30.06.2024	RM'000	%
Gross Revenue				
Realised	25,275	25,049	226	0.9%
Unrealised (unbilled lease rental receivable)	755	755	-	0.0%
	26,030	25,804	225	0.9%
Property Expenses	(11,434)	(11,242)	(192)	-1.7%
Net Property Income	14,596	14,562	35	0.2%
Interest and other income	27	19	8	42.1%
Change in fair value of investment properties	(755)	(755)	-	0.0%
Unrealised (loss)/gain on revaluation of derivatives	(757)	(163)	(595)	365.0%
Unrealised loss on financial liabilities measured	(142)	(143)	1	0.7%
	12,969	13,520	(551)	-4.1%
Non-property expenses	(1,941)	(1,957)	17	0.9%
Allowance/(reversal) of ECL on trade receivables	(114)	(40)	(74)	185.0%
Interest expense	(8,434)	(8,302)	(132)	-1.6%
Profit before taxation	2,480	3,221	(741)	-23.0%
Taxation	-	-	-	0.0%
Profit after taxation	2,480	3,221	(741)	-23.0%
Profit after taxation is made up as follow:				
- Realised net income from operation	3,379	3,527	(149)	-4.2%
- Unrealised	(899)	(306)	(592)	193.5%
	2,480	3,221	(741)	-23.0%

Gross revenue increased by 0.9% from the previous quarter, primarily driven by higher carpark income at Menara AmBank, Wisma AmFIRST, and The Summit Carpark, as well as increase in occupancy rate for Wisma AmFIRST.

Property expenses rose marginally by 1.7% due to higher repair and maintenance cost. However, increase in repair and maintenance expenses have been partially cushioned by the assessment rebate received in the current quarter.

Interest expense was slightly higher due to drawdown of revolving credit facility to finance the capital expenditures.

Overall, the Trust achieved a realised net income from operations of RM3.4 million, a decrease by 4.2% compared to immediately preceding quarter.

B3. PROSPECTS

The office market continues to experience notable challenges, driven by supply from new developments, evolving workplace trends and a demand shift towards premium, flexible and environmental-friendly sustainable spaces. Higher vacancy rates in greater Kuala Lumpur, including KL city centre highlights the impact of oversupply, with older buildings facing downward rental pressures. Meanwhile, the retail sector is expected to slow down mainly due to inflation which has dampened consumer spending.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Second Quarter Ended 30 September 2024

B3. PROSPECTS – CONTD.

To navigate these challenges, the Manager continues to adopt appropriate capital and asset management strategies focusing on intensifying leasing efforts, cost optimization and implementing asset enhancement initiatives to improve the Trust's asset portfolio yield.

B4. CHANGES IN THE STATE OF AFFAIRS

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

B5. CHANGES IN PORTFOLIO COMPOSITION

As at 30 September 2024, the Trust's composition of investment portfolio was as follow:

	Cost of Investment ¹ As At 30.09.2024 RM'000	Valuation As At 30.09.2024 RM'000	% Valuation to Net Asset Value As At 30.09.2024 %
Bangunan AmBank Group	201,842	266,737	32.9%
Menara AmBank	266,798	323,945	39.9%
Wisma AmFIRST	95,537	114,318	14.1%
The Summit Subang USJ	382,256	375,368	46.2%
Prima 9	74,865	73,313	9.0%
Prima 10	62,742	61,864	7.6%
Kompleks Tun Sri Lanang (Jaya 99)	88,938	101,336	12.5%
Mydin HyperMall, Bukit Mertajam	254,164	277,040	34.1%
	1,427,142	1,593,921	
Accrued unbilled rental income ²	-	(34,311)	
	1,427,142	1,559,610	

¹ Cost of investment comprised purchase consideration paid, incidental cost of acquisition and capital expenditure incurred since acquisition.

² Accrued unbilled rental income refers to unbilled incremental lease rental receivable from Mydin Mohamed Holdings Berhad ("Mydin")'s 30 years' lease agreement commencing from 1 February 2016 and expiring 31 January 2046. Pursuant to the lease agreement dated 11 January 2016, the lease rental receivable from Mydin is incremental by 10% every 5 years from the commencement date of 1 February 2016 up to the term of 30 years. This operating lease rental income is recognised on straight-line basis over the lease term of 30 years.

B6. NUMBER OF UNIT LISTED AND ISSUANCE OF NEW UNITS

The total number of units in circulation as at 30 September 2024 was 686,401,600 units. There was no issuance of new units during the quarter under review.

B7. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals previously announced but not completed as at the date of this report.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Second Quarter Ended 30 September 2024

B8. CHANGES IN NET ASSET VALUE AND UNIT PRICE

	As at 30.09.2024	As at 31.3.2024
Net Asset Value ("NAV") (RM'000)	811,761	814,159
NAV Per Unit (RM)		
- Before income distribution	1.1826	1.1861
- After income distribution	1.1726	1.1743
Closing Unit Price Per Unit (RM)	0.310	0.320

The NAV per Unit after income distribution was calculated after taking into consideration the income distribution of the realized distributable income at the end of the current quarter.

B9. BORROWINGS AND DEBT SECURITIES

	Non-current RM'000	Current RM'000	Total RM'000
<u>As at 30 September 2024</u>			
Secured			
Term Loan	500,850	-	500,850
Revolving Credit	-	263,800	263,800
	500,850	263,800	764,650
Unsecured			
Overdraft	-	-	-
Loan transaction costs subject to amortisation	(247)	(127)	(374)
Total Borrowings	500,603	263,673	764,276
<u>As at 31 March 2024</u>			
Secured			
Term Loan	500,850	-	500,850
Revolving Credit	-	256,900	256,900
	500,850	256,900	757,750
Unsecured			
Loan transaction costs subject to amortisation	(310)	(128)	(438)
Total Borrowings	500,540	256,772	757,312

All the bank borrowings were denominated in Ringgit Malaysia.

The Trust's gearing ratio stood at 47.5%, with total borrowings of RM764.3 million.

The weighted average interest cost, including the cost of hedging of the interest rate swap contract of RM150.0 million, was 4.37%.

The weighted average debt maturity was approximately 2.9 years.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the Second Quarter Ended 30 September 2024

B10. DERIVATIVE

	As at 30 September 2024		
	Notional Value	Fair Value	
	RM'000	Asset RM'000	Liability RM'000

Maturity of Interest Rate Swap contract

- Current	-	-	41
- Non-current	150,000	-	745

- (i) On 19 July 2022, the Trust entered into a 5-year Interest Rate Swap ("IRS") forward contract with a notional amount of RM50.0 million to hedge the Trust's floating interest rate for fixed rate in order to mitigate the risk on fluctuating interest rate. In this IRS contract, the Trust pays a fixed rate of 3.62% per annum in exchange of the 3-month Kuala Lumpur Interbank Offered Rate (KLIBOR).
- (ii) On 7 February 2023, the Trust entered into a 5-year Interest Rate Swap ("IRS") forward contract with a notional amount of RM100.0 million to hedge the Trust's floating interest rate for fixed rate in order to mitigate the risk on fluctuating interest rate. In this IRS contract, the Trust pays a fixed rate of 3.57% per annum in exchange of the 3-month Kuala Lumpur Interbank Offered Rate (KLIBOR).

With the above two IRS contracts in place, the Trust has effectively hedged 20% of its borrowings with a weighted average term of 3.1 years.

B11. MANAGER'S FEE

Pursuant to the Deed constituting AmFIRST REIT, the Manager's fee consists of a base fee up to 0.50% 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 current quarter ended 30 September 2024, the Manager's fee consists of a base fee of 0.3% per annum and performance fee of 3.0% per annum.

B12. 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.

For the current quarter ended 30 September 2024, the Trustee's fee was calculated based on 0.03% per annum of the net asset value.

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B13. UNITS HELD BY RELATED PARTIES

As at 30 September 2024, the Manager and all the directors did not hold any units in AmFIRST REIT. Below were the parties related to the Manager who holds units in AmFIRST REIT:

	Number of Holdings (‘000)	Market Value RM’000
Unitholdings of parties related to the Manager		
AmBank (M) Berhad	183,489	56,882
Yayasan Azman Hashim	77,947	24,164
Azman bin Hashim	849	263
AmGroup Foundation	3	1

The market value was determined by multiplying the number of units with the closing unit price of RM0.31 per unit as at 30 September 2024.

B14. 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 Unitholders, the total income of the Trust for that year of assessment shall be exempted from tax. There will be no tax payable for the Trust as the Trust intends to distribute at least 90% of the total income to Unitholders for the financial year ending 31 March 2025.

	Current Year 30.09.2024 RM’000	Preceding Corresponding Year 30.09.2023 RM’000
Income before taxation	5,702	6,419
Income tax using Malaysian tax rate of 24% (2023 : 24%)	1,368	1,541
Effects of non-deductible expenses	148	287
Effects of fair value adjustment on investment properties not subject to tax	363	363
Effects of income exempted from tax	(1,879)	(2,191)
Deferred tax from origination of temporary difference	-	-
Tax expense	-	-

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 24%)

AmFIRST REAL ESTATE INVESTMENT TRUST

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B15. INCOME DISTRIBUTION

The Board of Director of the Manager of AmFIRST REIT, declared an interim income distribution of 1.00 sen per unit for the six-month period from 1 April 2024 to 30 September 2024 amounting to RM6,864,016 comprising of 99% of the realised distributable net income for the six-month period from 1 April 2024 to 30 September 2024, payable on 27 December 2024 to the Unitholders registered in the Record of Depositors on 10 December 2024.

The interim income distribution for the six-month period ended 30 September 2024 was derived from the following sources:

	Current Year To Date 30.09.2024 RM'000	Preceding Year To Date 30.09.2023 RM'000
Gross revenue		
- Realised	50,323	48,981
- Unrealised (in relation to accrued unbilled rental receivables)	1,511	1,511
	51,834	50,492
Interest income	19	21
Other income	27	18
Change in fair value of investment properties	(1,511)	(1,511)
Unrealised gain/(loss) on revaluation of derivatives	(919)	751
Unrealised gain/(loss) on financial liabilities measured at amortised cost	(285)	14
Total income	49,165	49,785
Less : Total expenses (before manager's fees)	(40,165)	(40,111)
Net income before taxation (before manager's fees)	9,000	9,674
Less : Manager's fees	(3,298)	(3,255)
Net income before taxation	5,702	6,419
Less : Taxation	-	-
Net income after taxation	5,702	6,419
Less : Distribution adjustment (unrealised)	1,204	(765)
Total realised net income for the financial period	6,906	5,654
Undistributed realised income brought forward, 1 April	6,446	7,771
Total realised net income for the financial period	6,906	5,654
Total income available for distribution	13,352	13,425
Less : Interim income distribution	(6,864)	(5,628)
Undistributed realised income carried forward	6,488	7,797
Number of unit in circulation ('000)	686,402	686,402
Interim income distribution per unit (Sen)	1.00	0.82

B16. MATERIAL LITIGATION

(i) Shah Alam High Court Originating Summons (“OS”) between Ho Phoy Kwang & Ho Phoy Chuin (“Plaintiffs”) and The Summit Subang USJ Management Corporation (“Defendant” or the “MC”)

On 30 April 2021, the Plaintiffs filed the OS against the Defendant MC seeking inter alia the following reliefs:

- (a) A declaration that any proposed resolution determining different rates of maintenance charges for different parcels in the commercial building known as The Summit Subang USJ (“The Summit”) passed at any Annual General Meetings or Extraordinary General Meeting convened before the judgment of the Court, is ultra vires of the Strata Titles Act 1985 (“STA”) and Strata Management Act 2013 (“SMA”), unlawful, null and void ab initio.
- (b) A declaration that a single maintenance charge rate per share unit per month be imposed in proportion to the allocated share units for each parcel in The Summit for each respective management periods from 1 January 2013 to 31 August 2018, 1 September 2018 to 31 August 2019, 1 September 2019 to 30 September 2020, 1 October 2020 to 31 October 2020 and between 1 November 2020 until the date before the next management period commences; and
- (c) An order under Section 76 of the SMA that an administrator for the Defendant be appointed for a fixed period of time.

On 12 July 2021, the MC filed an application to convert the OS into a Writ action (“Conversion of OS to Writ”).

On 7 September 2021, Maybank Trustees Berhad (“MTB”) filed an application to intervene in the OS and be added as the 2nd Defendant.

On 17 September 2021, a group of owners in The Summit known as Swan Property Sdn Bhd & 13 others (“Swan Property Group”) filed an application to intervene in the OS and be added as Plaintiffs.

On 8 December 2021, the Shah Alam High Court allowed MTB’s application to intervene and be added as the 2nd Defendant in the OS and allowed the Swan Property Group to be added as Defendants.

On 21 December 2021, MTB filed an application to add itself as a party to the MC’s application to convert the OS into a Writ action (conversion application).

On 26 April 2022, the High Court dismissed the MC’s conversion application. However, the Court gave the MC liberty to cross examine the deponents of the affidavits.

On 9 May 2022, the MC filed a Notice of Appeal to the Court of Appeal against the dismissal of the conversion application.

On 18 May 2022, the MC filed a Notice of Application for Stay of Proceedings of the OS pending the full and final disposal of its appeal to the Court of Appeal. On 17 August 2022 the Court dismissed the MC’s stay application.

B16. MATERIAL LITIGATION – CONTD.

- (i) **Shah Alam High Court Originating Summons (“OS”) between Ho Phoy Kwang & Ho Phoy Chuin (“Plaintiffs”) and The Summit Subang USJ Management Corporation (“Defendant” or the “MC”) – contd.**

On 20 May 2023, the MC and MTB filed a Notice of Application for Intention to Cross-Examine Deponents of the Affidavits.

The 1st Plaintiff was cross examined on the averments in her Affidavits with regards to prayers of the OS and upon completion of the cross-examination, the Court gave the following directions :

- (i) Both parties are to file their main submissions by 28 July 2023;
- (ii) Both parties are to file their respective submissions in reply by 18 August 2023;
- (iii) The decision on prayers of the OS is on 23 August 2023 .

On 23 August 2023 prior to the learned High Court Judge delivering his decision, two (2) recent Court of Appeal cases namely “SCP Assets” and “Pearl Suria” were brought to the attention of the Learned High Court Judge. The High Court judge then proceeded to postpone the decision to 25 October 2023 pending written grounds of the Court of Appeal in the above 2 cases and the conversion appeal fixed for 18 September 2023.

On 18 September 2023, Court of Appeal decided as follows:

- (i) The appeal was dismissed;
- (ii) But parties are given liberty to cross examine all deponents of affidavits and on its full contents; and
- (iii) Court of Appeal fixed a case management date before the High Court of Shah Alam.

On 26 September 2023, during case management before Shah Alam High Court, following our update on the Court of Appeal’s decision, the Judge instructed parties to vary the Court of Appeal order dated 18 September 2023.

On 29 September 2023, during case management the learned High Court Judge once again instructed parties to vary the order of 18 September 2023.

On 12 October 2023, the MC filed the Application to the Court of Appeal to vary the order of 18 September 2023.

The hearing to vary the order of 18 September 2023 is fixed before The Court of Appeal on 30 November 2023 and the case management before the High Court of Shah Alam is fixed on 14 December 2023 to update on the outcome of the Court of appeal hearing.

On 30 November 2023, the Court of Appeal allowed the variation application and fixed a case management before the High Court on 14 December 2023. The court then fixed trial dates on 1 February 2024 and 19 February 2024.

At the trial on 1 February 2024 and 19 February 2024, the 1st Plaintiff and the 7th Defendant were respectively cross-examined.

B16. MATERIAL LITIGATION – CONTD.

- (i) **Shah Alam High Court Originating Summons (“OS”) between Ho Phoy Kwang & Ho Phoy Chuin (“Plaintiffs”) and The Summit Subang USJ Management Corporation (“Defendant” or the “MC”) – contd.**

The Court ordered for the main submissions to be filed on 30 April 2024, the submissions in reply on 17 May 2024 and fixed for oral submissions on 30 May 2024.

On 5 July 2024, the Shah Alam High Court affirmed the different rates of the maintenance charges for the different component groups of parcels by The Summit Subang USJ Management Corporation (MC) and dismissed the Plaintiffs’ (2 retail parcel proprietors) originating summons disputing the said different rates. The High Court held that the MC could designate exclusive common property (i.e. designated parts of the common property for the exclusive/restricted use to a component group of parcels) and charge different rates of maintenance charges for the different component groups of parcels that are used for significantly different purposes in accordance with Section 60(3) of the SMA 2013.

The High Court was also assisted by an Expert’s Affidavit from a registered property manager in arriving at its decision.

The Summit Subang USJ is a mixed-use strata development area with four component groups of parcels comprising shopping complex (540 retail parcels), office tower (13 parcels), hotel tower (1 large en bloc parcel and a small parcel) and carpark (1 en bloc parcel) and they are used for significantly different purposes.

On 2 August 2024, the Plaintiffs Solicitors filed and served the Notice of Appeal to the Court of appeal, appealing the whole of the decision of the learned Judicial Commissioner in Shah Alam High Court.

Subsequent to the filing of appeal on 2 August 2024, the Court has only provided the case number which is B-02(NCVC)(A)-1344-08/2024.

The applications to adduce further evidence in the Court of Appeal in the form of the Federal Court’s decision had not been heard and disposed.

On 4 November 2024, the Court of Appeal during the case management fixed the hearing date of the Appeal on 16 July 2025.

In respect of Enclosure 25, the Court of Appeal fixed a case management date on 12 December 2024 for parties to dispense with Affidavits and for further directions.

B16. MATERIAL LITIGATION – CONTD.

- (ii) **Material Litigation in the Kuala Lumpur High Court – Legal proceedings instituted by Looi Seow Leng vs. The Summit Subang USJ Management Corporation (“MC”) and Maybank Trustees Berhad (“MTB”) (as Trustee for AmFIRST Real Estate Investment Trust) (Writ of Summons No.: WA-22NCVC-217-03/2024)**

Further to our earlier quarterly announcement on 21 February 2024 under updates on material litigation with regard to the Writ of Summons No. WA-22NCC-82/2018 (“Suit 82”), on 11 January 2024, Looi Seow Leng (“Looi”), the 2nd Plaintiff in Suit 82 entered into a consent order with The Summit Subang USJ Management Corporation (MC), the 1st Defendant and Maybank Trustees Berhad (MTB), the 2nd Defendant respectively and discontinued the Civil Suit against the MC and MTB with liberty to file afresh. The MC and MTB were also given liberty to file fresh defences vide the consent order. The 1st, 3rd to 15th Plaintiffs in Suit 82 did not pursue their claims against the MC and MTB.

Subsequently on 31 March 2024, Looi filed afresh the Statement of Claim and Writ of Summons vide Civil Suit WA-22NCVC-217-03/2024 (Suit 217) against the MC and MTB and amongst other pleadings pleaded that the MC and MTB conspired to injure her by breaching the Strata Titles Act, 1985 and the Strata Management Act, 2013 (SMA) and seeks inter alia the following reliefs:

- (a) A declaration that the refurbishment of the Summit carried out by the MC under the resolutions passed at the 15 December 2012 and 15 March 2014 Annual General Meetings (AGM) are ultra vires the Strata Titles Act, 1985.
- (b) A declaration that Looi is not liable to pay the refurbishment costs, late payment interest and legal costs in the sum of RM 270,421.37 as at 22 September 2023 to the MC.
- (c) A declaration that the MC has breached its fiduciary duties to the proprietors.
- (d) A declaration that MTB is liable to contribute to the maintenance and sinking fund charges (charges) from the date MTB was registered as a proprietor of the basement car park, hotel block and their parcels at the office block.
- (e) An Order that the MC demands and claims all outstanding charges from MTB, costs, general and exemplary damages, interest and the resolutions passed at the 5th, 6th, 7th and 8th AGMs and 4 August 2018 EGM be declared null and void.
- (f) A declaration that the MC recalculates the charges in proportion with the share units assigned to each parcel past and future periods, charges the same recalculated rates on MTB and to collect the said recalculated charges from MTB within 14 days from the date of the Order of Court.
- (g) An order that the MC distributes and credits the alleged over charged sum back to the proprietors and costs.

The Manager have consulted the solicitors who hold the view that there is a credible defence for MTB. The Manager have accordingly instructed the solicitors to defend the interests of MTB against Looi’s claims.

B16. MATERIAL LITIGATION – CONTD.

- (ii) **Material Litigation in the Kuala Lumpur High Court – Legal proceedings instituted by Looi Seow Leng vs. The Summit Subang USJ Management Corporation (“MC”) and Maybank Trustees Berhad (“MTB”) (as Trustee for AmFIRST Real Estate Investment Trust) (Writ of Summons No.: WA-22NCVC-217-03/2024) – Contd.**

On 30 May 2024, we filed and served our Defence on behalf of the MC and MTB, and the Counterclaim on behalf of the MC.

On 19 July 2024, Looi’s Solicitors filed and served their reply to the Defence and Defence to the counterclaim. The next case management via e-review is fixed on 30 August 2024.

During the case management on 30 August 2024, the instructions given by the Court are the Pre-Trial documents and the common bundles to be filed by 13 November 2024 followed by a physical case management before the judge on 25 November 2024.

B17. STATEMENT BY THE DIRECTORS OF THE MANAGER

In the opinion of the Board of Directors of the Manager, this quarterly report has been prepared in accordance with MFRS 134: Interim Financial Reporting issued by Malaysian Accounting Standard Board (“MASB”), IAS 34: 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 30 September 2024 and of its financial performance and cash flows for the financial period ended 30 September 2024 and duly authorized for release by the Board of Directors of the Manager on 19 November 2024.