

12TH ANNUAL GENERAL MEETING OF THE COMPANY HELD ENTIRELY THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT 12TH FLOOR MENARA SYMPHONY, NO 5, JALAN PROF. KHOO KAY KIM, SEKSYEN 13, 46200, PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA (THE “BROADCAST VENUE”) ON FRIDAY, 23 AUGUST 2024 AT 10.00 A.M.

[APPENDIX 1: Listing of Moderated Questions and Responses]

Part A - Pre-Submitted AGM Questions

No.	Questions	Originator	Category	Input from Management Note: Please fill in your name and designation
1.	<p>Q1. Would the Board and Management consider a higher dividend payout this year?</p> <p>Q2. Was there any property disposed of within the financial year?</p>	Kow Lih Shi	Financial/ operational	<p>Every year, we distribute at least 90% of the realised net income generated as income distribution. Therefore, the quantum of the dividend will be determined by the net income that is generated from the operation. In FY2024, we distributed slightly more than 100% of the realised net income generated in the financial year as income distribution to Unitholders.</p> <p>No disposal of property during the financial year. We are still pursuing with prospective buyer for disposal of some of the low-yielding assets, but there are no firm deals so far.</p>
2.	Does the REIT have any plan to hold hybrid general meetings in the near future?	Loo Yeo Ming	Administrative	We will review and assess the situation when determining the AGM in the coming year. Conducting meetings virtually allows more Unitholders to attend as it eases the traveling to the meeting venue especially for outstation Unitholders. However, we will be guided by regulators on conducting physical or hybrid general meetings in future.
3.	Kindly consider rewarding your Unitholders with a small token of appreciation for attending the virtual AGM	Received from several Unitholders	Administrative	As practiced in previous years, there will be no door gifts to be distributed to Unitholders and Proxies who participate at this virtual meeting. The money will be used to pay out as income distribution to Unitholders and the REIT is required to distribute at least 90% of income distribution in order to be tax exempted.

Part B - Live Unitholders Questions

No.	Questions	Originator	Category	Input from Management Note: Please fill in your name and designation
1.	<p>Q1. What is the Board's view of the future of AmFIRST REIT? Currently, office buildings are oversupplied which has led to the decline in performance of AmFIRST REIT over the years.</p> <p>Q2. Is there value for the Unitholders to continue holding stock in the hopes of performance improving?</p>	Ser Boon Teck & Lau Chuan Hooi & Lee Suan Bee	Business Operations/ Strategy	<p>The oversupply office market has impacted the performance of AmFIRST REIT but as presented during CEO presentation, there are positive signs with improve demand on office space from existing and new tenants seeking additional space for business expansion or relocation due to improved business condition. We are working hard to increase the Trust's revenue through various leasing efforts to improve the asset portfolio's occupancy and hence the performance of the Trust.</p> <p>It is not appropriate for the Manager to advise Unitholders to continue to hold or buy AmFIRST REIT's Unit.</p>
2.	How much did AmFIRST REIT spend on this virtual AGM?	Lee Suan Bee	Administrative	The current virtual AGM costs about RM44,000. For comparison, the physical general meeting in previous year costing about RM140,000.
3.	With the current trend focusing on virtual meetings and working from home, what is the Board's view on the prospect of REIT's market?	Tan Sek Keng	Business Operations	Virtual meeting and working from home are a trend during COVID-19 pandemic. But after market reopening, we have seen many businesses returning to physical office. We believe that there are demand for physical office from tenants seeking quality office space for their businesses.
4.	What is meant by "appropriate capital and asset management strategies", as stated in page 49 of FY2024 Annual Report?	Tan Sek Keng	Business Operations/ Strategy	Its means the manager will adopt a prudent financial structure in capital management and actively manage the assets within the portfolio to improve the yields.
5.	Despite an improvement in the overall occupancy rate from 82.6% to 84.7%, the revenue has decreased from RM103.4 million to	Chua Song Yun	Financial	The decrease in total revenue of RM101.4 million for FY2024 as compared to RM103.4 million in FY2023 is mainly due to the exclusion of revenue contribution from Menara AmFIRST, which was divested in FY2023.

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	RM101.4 million in FY2024. Would the Board and Management explain the reasons behind this decline in revenue despite the increase in occupancy?			Excluding Menara AmFIRST, the existing 8 properties achieved slight improvement in gross revenue YoY as a result of the improved occupancy.
6.	What is the average break-even occupancy percentage? What is the REIT's plan on Prima 9 assets with 48.5%?	Tan Sek Keng	Business Operations/ Strategy	<p>The profit margin of rental revenue is typically about 70%. We have not calculated the break-even overall portfolio occupancy percentage. However, based on the existing portfolio occupancy of 84%, the net property income yield of the asset portfolio is about 3.6%.</p> <p>As for Prima 9, this is one of the identified low occupancy buildings that we are currently working hard to fill-up the vacancy. One of the strategies to improve the occupancy is by setting up a new co-working space in Prima 9 to improve the marketability and occupancy of the building. To compete in the Cyberjaya's office market, we are offering a competitive and flexible tenancy package to attract new tenants to improve the occupancy.</p>
7.	<p>The latest valuation for Summit Subang USJ stands at RM375 million, whilst its net property income is reported as RM1.0 million, resulting in a very low yield of 0.27% (page 23 Annual Report FY2024).</p> <p>Q1. Could you clarify why the yield for this asset is so low?</p> <p>Q2. Could the independent valuer provide an explanation for the high valuation of RM375 million given the low yield?</p>	Chua Song Yun	Business Operations/ Strategy	<p>The yield of Summit Subang USJ is low mainly because of low rental rate achieved from the existing tenants. Despite higher occupancy rate achieved, the average rental rate remained low due to low rental rate offered to anchor tenants. We have filled up the mall with these anchor tenants that can bring more footfall. With the improved footfall, it is hopeful that we can achieve higher rental reversion and sign-up more new tenants that can pay higher rental rates to improve the rental revenue of the mall.</p> <p>The valuation amount of RM375 million is for three components of Summit Subang USJ, namely, the office tower, retail mall and hotel. The independent valuers adopt income method for the valuation and further cross-check the valuation with market</p>



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				comparable value. If we breakdown the current valuation of RM375 million into per sq ft basis, the office tower is currently valued at RM350 psf while retail mall is valued at about RM330 psf. As for Summit Hotel, the valuer is valuing the hotel at RM260,000 per room. These valuation figures based on per sq ft basis are reasonable. Although currently the property is generating low yield, the independent valuer is valuing the property not only based on current term yield, but it also takes into consideration the market rent for the reversion term to work out the final valuation of the property under the income method.
8.	Given that Summit Subang USJ has a market value of RM375 million, but with a very low yield of 0.27%, would it be reasonable to consider disposing of this asset and returning the proceeds to Unitholders? Although the REIT Manager may have to sacrifice some future management fees; they should act in the best interests of all the Unitholders.	Chua Song Yun	Business Operations/ Strategy	<p>Agreed that it's reasonable to sell Summit Subang USJ due to low-yield. Indeed, it is one of the properties that has been earmarked for divestment all this while. However, there are no buyer so far due to oversupply of retail mall and Summit Subang USJ being a stratified property.</p> <p>On the management fees, we assure that the Manager always acts in the best interest of all the Unitholders and we have never considered the loss of management fee for the REIT Manager as the reason not to propose to sell any property.</p>
9.	In respect of the no door gifts policy, can we (Unitholders) propose that no fees and expenses should also be given to the Board of Directors for attending all meetings?	Lee Chew Foong / Tan Sek Keng	Administrative	Director fees and relevant expenses are paid by the REIT Manager and not by the Trust. That's why there is no resolution for the Trust to pass on approving the director's fees. The Trust pay management fee to the REIT Manager, and it is the REIT Manager that pay the director for the fee out of the management fee earned by the REIT Managers.
10.	Any chance that the REIT could revise upward its rental yield as a means to increase the revenue?	Tan Sek Keng	Financial	We are always looking for ways to increase the rental yield of the property but it has to be guided by the market rate where the buildings are located.



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11.	As the Company has seen constant growth, could the Board consider providing bonus issues this FY2024?	Kow Lih Shi	Administrative	We can only consider a bonus issue if there are sufficient reserve left after the profits have been paid out as cash distribution to Unitholders.																								
12.	What is AmFIRST REIT's average property yield versus the average interest rate? If the latter is higher, any means/plans from the Board to further reduce AmFIRST REIT's gearing?	Tan Sek Keng	Financial	AmFIRST REIT's average net property income yield was around 3.6% whilst the weighted average interest rate was 4.38%. We are committed to increase the property yield and reduce the gearing level through divestment of low-yielding property. We have divested Menara AmFIRST in last financial year and target to sell more in coming financial year.																								
13.	Kindly provide a justification as to the low share price of AmFIRST REIT, as compared to other REITs.	Thavarajan A/L Muthiah Pillai / Tan Sek Keng	Financial	Unit price of the REIT is generally determined by its distribution yield. The office and retail assets that AmFIRST REIT has invested in are going through challenging periods due to oversupply which has depressed the occupancy and rental rates, and hence the yield has dropped which impacted the unit price.																								
14.	Kindly provide a breakdown of the financial performance of each property.	Ser Book Teck	Business Operations/ Performance	<p>Following is the NPI Yield for FY2024 of the existing properties:</p> <table> <tbody> <tr> <td>(i)</td> <td>Bangunan AmBank Group, KL</td> <td>5.2%</td> </tr> <tr> <td>(ii)</td> <td>Menara AmBank, KL</td> <td>2.9%</td> </tr> <tr> <td>(iii)</td> <td>Wisma AmFIRST, Kelana Jaya</td> <td>3.7%</td> </tr> <tr> <td>(iv)</td> <td>Summit Subang USJ</td> <td>0.3%</td> </tr> <tr> <td>(v)</td> <td>Prima 9, Cyberjaya</td> <td>2.1%</td> </tr> <tr> <td>(vi)</td> <td>Prima 10, Cyberjaya</td> <td>3.6%</td> </tr> <tr> <td>(vii)</td> <td>Jaya 99, Melaka</td> <td>4.1%</td> </tr> <tr> <td>(viii)</td> <td>Mydin Hypermall, Bukit Mertajam</td> <td>7.3%</td> </tr> </tbody> </table> <p>In average the asset portfolio yield for FY2024 is 3.6%.</p>	(i)	Bangunan AmBank Group, KL	5.2%	(ii)	Menara AmBank, KL	2.9%	(iii)	Wisma AmFIRST, Kelana Jaya	3.7%	(iv)	Summit Subang USJ	0.3%	(v)	Prima 9, Cyberjaya	2.1%	(vi)	Prima 10, Cyberjaya	3.6%	(vii)	Jaya 99, Melaka	4.1%	(viii)	Mydin Hypermall, Bukit Mertajam	7.3%
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15.	Are there currently any broad strategies for expanding the property portfolio into industrial land acquisition, logistics or hotels?	Teoh Seew On	Business Operations/ Strategy	We are looking at diversifying our portfolio into other asset classes such as industrial, logistics, healthcare and education but not hotel. However, as explained, we have to divest the existing low-yielding asset to create debt headroom in order to acquire new asset for diversification.
16.	What is the basis for the valuation? Is it based on disposable value or future renting income? The basis must be consistent with the intention of the management over the assets.	Tan Sek Keng	Asset Management/ Financial	<p>The independent valuers adopt the income approach by investment method as the primary method for valuation and valuers will cross-check the value derived from income method with market comparison method. This income method for valuation is aligned with our intention of holding the asset for income on long term basis.</p> <p>The independent valuer has adopted this same basis of valuation method in all the previous years' valuation.</p>
17.	If the interest rate enters the regime of "higher for longer", shouldn't the property manager prioritise reducing the overall gearing instead of identifying higher yield assets? All those properties that diminish the performance of AmFIRST REIT are all acquired during the low interest regime.	Chai Ming Jye	Financial	It is always our priority to divest the low-yielding asset to lower the gearing level. Indeed, before lowering the gearing level, we have not been looking at new acquisitions regardless of the interest rate.
18.	Is there currently an interest to take over the Summit Hotel?	CHONG SAW TWAN	Business Operations	We have no intention of taking over the operation of the hotel. Instead, we are looking at appointing a new operator to refurbish and rebrand the hotel.