

AmFIRST

Real Estate
Investment Trust

ANNUAL REPORT **2008**



Manager

Am ARS REIT Managers Sdn Bhd
(730964-X)



Contents



Corporate Directory	2
Performance Data	3
Board of Directors Profile	5
Chairman's Statement	8
Management Team	10
Corporate Governance	11
Property Portfolio	14
Portfolio Review	26
Financial Statements	28
• Report by the Directors of the Manager	28
• Statement by the Directors of the Manager	37
• Statutory Declaration	37
• Trustee's Report	38
• Report of the Auditors	39
• Balance Sheet	40
• Income Statement	41
• Statement of Changes in Net Asset Value	42
• Cash Flow Statement	43
• Notes to the Financial Statements	44
Analysis of Unitholders	60

Corporate Directory

Manager

Am ARA REIT Managers Sdn Bhd (730964-X)
Registered Address:
22nd Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur
Tel: 03-2078 2633 / 44 Fax: 03-2078 2842

Company Secretary of the Manager

Jayavathani Kanagaratnam

Trustee

Mayban Trustees Bhd (5004-P)
34th Floor, Menara Maybank
100, Jalan Tun Perak, 50050 Kuala Lumpur

Auditors

Ernst & Young
Public Accountants

Property Managers

Jones Lang Wootton
Rahim & Co. Chartered Surveyors Sdn Bhd

Solicitors

Shook Lin & Bok
Syed Alwi, Ng & Co

Tax Adviser

PricewaterhouseCoopers

Bankers

AmBank (M) Berhad
Bangkok Bank Berhad

Unit Registrar

Symphony Share Registrars Sdn Bhd
Level 26, Menara Multi-Purpose, Capital Square,
No 8 Jalan Munshi Abdullah , 50100 Kuala Lumpur
Tel: 03-2721 2222 Fax: 03-2721 2531

Bursa Malaysia Stock Name and Code

AmFIRST / 5120

For enquiries, please contact:-

Am ARA REIT Managers Sdn Bhd (730964-X)
16th Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur
Tel: 03-2026 9102 / 03 Fax: 03-2732 0644

Performance Data



Summary of portfolio composition of the Trust since the listing date on 21 December 2006 is as follow:-

	01.04.2007 to 31.03.2008	21.12.2006 to 31.03.2007 (101 days)
	%	%
Real properties	98.11	96.96
Cash and others	1.89	3.04
	100.00	100.00

The abovementioned percentages are based on the total market value of the real properties plus cash.

Summary of performance of the Trust since the listing date on 21 December 2006 is as follow:-

	As at 31.03.2008	As at 31.03.2007
Net asset value (RM'000)	442,643	435,221
Units in circulation (units)	429,001	429,001
Net asset value per unit (RM'000)	1.03	1.01
	01.04.2007 to 31.03.2008	21.12.2006 to 31.03.2007 (101 days)
Total return (%)	10.35	(7.90)
- Capital growth	2.43	(10.06)
- Income distribution	7.92	2.16
Management Expenses Ratio (MER) (%)	0.88	0.77
Portfolio Turnover Ratio (PTR) (%)	0.80	0.31
Income after taxation (RM'000)		
- Realised	31,313	8,349
- Unrealised	-	-
Income distribution per unit (sen)		
- Gross	7,299	1,946
- Net	7,299	1,946

Performance Data (Cont'd)

Total return is based on the actual gross distribution yield (for the current financial year) and the net percentage change in the weighted average market price of the Trust between the current financial year and the previous financial period.

The calculation of MER is based on total fees of AmFIRST Real Estate Investment Trust ("AmFIRST" or the "Trust") incurred, including the Manager's fees, Trustee's fees, audit fees, tax agent's fees and administrative expenses, to the average net asset value during the year.

The calculation of PTR is based on the average of total acquisition and total disposal of investments in AmFIRST for the year calculated on a weekly basis.

Summary of unit price and trading performance of the Trust since the listing date on 21 December 2006 is as follow:-

	01.04.2007 to 31.03.2008	21.12.2006 to 31.03.2007 (101 days)
Market price per unit at close of the financial year/period (RM)	0.87	0.89
Highest traded price per unit for the financial year/period (RM)	1.00	1.00
Lowest traded price per unit for the financial year/period (RM)	0.83	0.86

Average annual return as at 31 March 2008 is as follow:-

	AmFIRST %	KLCI %
One year	10.35	0.05
Since listing date (on 21 December 2006)	1.92	15.87

Average Annual Return is computed based on total return per unit for the period, averaged over the number of years for that period.

Average Annual Returns of Property and KLCI indexes are based on the net change of respective indexes for the period averaged over number of years.

Past performance is not necessarily indicative of future performance, unit prices and investment returns may fluctuate.

Board of Directors Profile



Y.BHG. DATO' AZLAN HASHIM

Non-Independent Non-Executive Chairman

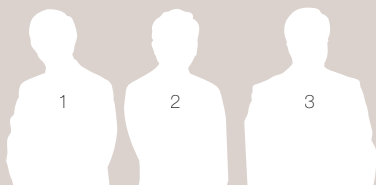
Dato'Azlan Hashim, a Malaysian, aged 66, joined the Board on 24 August 2006. He is currently the Deputy Chairman of AMMB Holdings Berhad and Amlnternational (L) Limited and Executive Chairman of Global Carriers Berhad. He also sits on the Boards of Kumpulan Perangsang Selangor Berhad, Paramount Corporation Berhad, Sapura Industrial Berhad, Kesas Holdings Berhad, Metrod (M) Berhad and Syarikat Permodalan & Perusahaan Selangor Berhad.

Dato'Azlan, a qualified Chartered Accountant, served the Malayan Railways from 1966 to 1971, and was its Chief Accountant for two years. In 1972, he became a partner of a public accounting firm, Azman Wong Salleh & Co. and was a Senior Partner of the firm prior to joining the board of AMDB Berhad in 1982. Dato'Azlan is a fellow of the Institute of Chartered Accountants (Ireland), Economic Development Institute (World Bank, Washington) and Institute of Bankers Malaysia.



Board of Directors Profile (Cont'd)

1. Mr. Cheah Tek Kuang
Non-Independent Non-Executive Director
2. Mr. Lim Hwee Chiang
Non-Independent Non-Executive Director
3. Dato' Teo Chiang Quan
Independent Non-Executive Director



MR. CHEAH TEK KUANG

Non-Independent Non-Executive Director

Mr. Cheah Tek Kuang, a Malaysian, aged 60, was appointed to the Board on 24 August 2006 and he is currently the Group Managing Director of AMMB Holdings Berhad. He joined AmMerchant Bank Berhad from January 2002 to December 2004 before assuming the office of Group Managing Director in AMMB Holdings Berhad. He remain as Non-Independent Non-Executive Director of AmMerchant Bank Berhad.

His directorships in other public listed companies include AmInvestment Group Berhad (AIGB), AmBank (M) Berhad, AmIslamic Bank Berhad (formerly known as AMBB Capital Berhad, formerly known as AmBank Berhad), AmAssurance Berhad and Cagamas Berhad. He currently serves on the Board of Employees' Provident Fund, Bursa Malaysia Securities Berhad and is the Alternate Chairman of the Malaysian Investment Banking Association. He is also the Chief Executive Officer of AmBank (M) Berhad.

Mr. Cheah has a Bachelor of Economics (Honours) degree from the University of Malaya and is a Fellow of the Institute of Bankers Malaysia.

MR. LIM HWEI CHIANG

Non-Independent Non-Executive Director

Mr. Lim Hwee Chiang, a Singaporean, aged 52, was appointed to the Board on 24 August 2006. Mr. Lim is the Group Chief Executive Officer and Executive Director of ARA Asset Management Limited ("ARA"), a real estate fund management company listed on the main board of the Singapore Exchange Securities Trading Limited. He is also a Director of the Managers of Fortune REIT, Suntec REIT and Prosperity REIT. He is an independent Director and member of the audit committees of Teckwah Industrial Corporation Limited and Inter-Roller Engineering Limited, both of which are public-listed companies in Singapore. He is also the vice president of the Hong Kong-Singapore Business Association. Further, he is a board member of the Asian Public Real Estate Association and the Valuation Review Board of the Ministry of Finance.

Mr. Lim has more than 27 years of experience in real estate. Prior to the founding of ARA, from 1997 to 2002, he was an Executive Director of GRA (Singapore) Pte. Ltd. ("GRA"), which is a wholly-owned subsidiary of Prudential (US) Real Estate Investors. From 1996 to 1997, prior to joining GRA, he was the founder and Managing Director of The Land Managers (S) Pte. Ltd., a Singapore-based property and consulting firm specializing in feasibility studies, marketing and leasing management in Singapore, Hong Kong and China. He was the general manager of the Singapore Labour

Foundation Management Services Pte. Ltd. from 1991 to 1995, and worked for DBS Land Limited (now known as CapitalLand Limited after its merger with Pidemco Land Pte. Ltd. in 2000), a leading listed real estate development and investment company in Singapore, from 1981 to 1990.

Mr. Lim obtained an Engineering degree (First Class Honours) in 1981, a Master of Science degree in 1985, as well as a Diploma in Business Administration in 1987, each from the National University of Singapore.

DATO' TEO CHIANG QUAN

Independent Non-Executive Director

Dato' Teo Chiang Quan, a Malaysian aged 58, was appointed to the Board on 24 August 2006. Dato' Teo joined Paramount Corporation Berhad ("PCB") as a Director on 19 January 1977. He started to play an active role in the management of PCB when he first served as Chief Executive Officer of the PCB group's insurance division from 1981 to 1991.

He was also instrumental in ensuring the successful merger of the PCB group's insurance operations with Jerneh Insurance Bhd (JIB). In 1989, Dato' Teo assumed the position of Group Managing Director and Group Chief Executive Officer of PCB and has since then transformed the PCB group into a reputable and financially sound diversified group. Dato' Teo has successfully completed the Harvard Business School Owner / President Management Program in 2004.

Board of Directors Profile (Cont'd)



4. Tuan Haji Mohd Salleh Akram
Independent Non-Executive Director
5. Ms. Pushpa Rajadurai
Alternate Director to Mr. Cheah Tek Kuang
6. Mr. Michael Lim Poh Kok
Alternate Director to Mr. Lim Hwee Chiang



TUAN HAJI MOHD SALLEH AKRAM

Independent Non-Executive Director

Tuan Haji Mohd Salleh Akram, a Malaysian, aged 58, was appointed to the Board on 24 August 2006. He graduated upon passing the final professional examination of the Royal Institution of Chartered Surveyors United Kingdom in 1974. He had, in 1973 obtained the Diploma in Land Use Control from the North-East London Polytechnic (now part of East London University) and he is a Fellow of The Royal Institution of Chartered Surveyors, United Kingdom as well as a Fellow of the Institution of Surveyors, Malaysia. He is also a Registered Valuer & Estate Agent with the Board of Valuers, Appraisers & Estate Agents, Malaysia as well as a Life Member of the Institute of Directors, Malaysia.

As a professional graduate and Federal scholar, he served as a Valuation Officer in the Valuation Division, Federal Treasury, Ministry of Finance from April 1974 and saw postings in Selangor, Penang and Johor, and became the Kelantan State Director of Valuation in 1975 until 1977 followed by a stint as the Deputy Regional Director of Valuation Selangor Region.

In April 1980, he left the treasury to join a chartered valuation firm and later became one of the founder Directors upon its incorporation as a private limited professional company. On 1 July 1988, he commenced AKRAM & Co., a chartered surveying firm providing professional services in valuation of properties including plant and machinery, real estate agency, property management and property consultancy.

MS. PUSHPA RAJADURAI

Alternate Director to Mr. Cheah Tek Kuang

Ms. Pushpa Rajadurai, a Malaysian, aged 49, was appointed to the Board on 24 August 2006. Ms. Pushpa joined AmlInvestment Bank in May 1989 and has more than 19 years experience in corporate finance and financial consultancy related work.

She was appointed as the Executive Director of AmlInvestment Bank Berhad on 1 January 2005. She was previously the Director/Head of Corporate Finance involved in both the equity and equity-linked business of the merchant bank. Her extensive corporate advisory service covers both the Malaysian and overseas markets and her client portfolio extended to all sectors of the economy. She is a Fellow of the Chartered Association of Certified Accountants and a member of the Malaysian Institute of Accountants. Prior to joining AmlInvestment Bank Berhad, she was attached with PricewaterhouseCoopers.

She is presently on the Boards of AmlInvestment Group Berhad, AmlInvestment Bank Berhad, Malaysian Ventures Management Incorporated Sdn Bhd, AMMB Consultant Sdn Bhd, AmlInternational (L) Ltd, Malaysian Ventures (Two) Sdn Bhd, PT AmCapital Indonesia, AmPrivate Equity Sdn Bhd and AmTrustee Berhad. She also holds the position of Chairperson for the Corporate Finance Committee of the Malaysian Investment Banking Association. She is actively involved in market development and work extensively with all the regulatory bodies in the country at consultative forums.

MR. MICHAEL LIM POH KOK

Alternate Director to Mr. Lim Hwee Chiang

Mr. Michael Lim Poh Kok, a Singaporean, aged 52, was appointed to the Board on 29 June 2007. Mr. Lim holds the position of Director, Risk Management in ARA and is a Director of ARA Strategic Capital and Jadelin Capital Sdn. Bhd. Prior to joining ARA, from 2000 to 2006, Mr. Lim was a senior credit controller with the Oversea-Chinese Banking Corporation ("OCBC"), in the credit risk management department, group risk management division. As a senior credit controller, he was a risk-partner to the bank's real estate lending units. He also held the position of real estate specialist credit signer of OCBC with industry-specialist signing authority for the bank's real estate loans, both domestic and international credits. He was also the secretary of the inaugural real estate portfolio strategy committee which was formed to look at the strategic directions for the development and management of the bank's overall real estate credit portfolio. Prior to that, he worked with the Ministry of Education (of Singapore) from 1998 to 2000 as their head of recruitment marketing and scholarship unit.

From 1997 to 1998, Mr. Lim was the Managing Director and shareholder of a property agency and consultancy company. He began his career with the banking and finance sector in 1981.

Mr. Lim obtained a Bachelor of Business Administration (Honours) degree from the National University of Singapore in 1981. He has also completed a real estate agency course conducted by The Singapore Institute of Surveyors & Valuers.

Chairman's Statement

"Dear Unitholders,

*On behalf of the Board of Directors of Am
ARA REIT Managers Sdn Bhd, the Manager
of AmFIRST Real Estate Investment Trust
("AmFIRST" or the "Trust"), I have the
pleasure of presenting to you the Annual
Report and audited financial statements of
AmFIRST for the financial year ended 31
March 2008."*



OVERVIEW

The financial year ended 31 March 2008 represents the first complete financial year for AmFIRST since it was listed on the Main Board of Bursa Malaysia Securities Berhad on 21 December 2006. AmFIRST performed creditably during the financial year under review, reflecting the underlying strength of our real estate market fundamentals as well as the quality and the management of the assets in our portfolio.

This financial year was an important one for AmFIRST - with the completion of the acquisition of two new assets, bringing the number of properties in the portfolio to six. Out of the six properties, three (Bangunan AmBank Group, Menara AmBank and AmBank Group Leadership Centre) are located in the Kuala Lumpur Golden Triangle while the other three are located in the established business/residential township in Petaling Jaya (Menara Merais), Kelana Jaya (Kelana Brem Towers) and Subang Jaya (The Summit Subang USJ).

From the economic perspective, the Malaysian economy continues to expand, registering a strong GDP growth of 6.3% for the whole of 2007 on the back of robust domestic demand, improving on the 5.9% growth achieved in 2006. Inflation for January and February this year registered 2.3% and 2.7% year-on-year, higher than the 2.0% registered in 2007, as a result of rising global commodity and oil prices. Notwithstanding the increase, the inflation rate in Malaysia is still relatively low as compared to other regional countries. Interest rates remained stable due to sustained growth in the economy while the strong appreciation of the ringgit against the US currency of 3.4% for the first quarter of 2008 to 3.1945 has helped to cushion rising inflation.

On the real estate front, demand for Grade A office buildings in the Kuala Lumpur city centre continues to rise due to a lack of supply (with occupancy rates in excess of 90.0%) while rental rates climbed to between RM6 to RM9 psf per month. Capital values have also grown significantly with recent transactions of new Grade A offices breaching the RM1,000 psf mark. On the retail sector, retail sales grew by 8.0% in 2007, backed by resilient household confidence and the increase in tourist arrivals. The continued strong performance of the economy, expanding young population and urban migration are expected to provide a further boost to the local retail sector.

Moving forward, the ongoing global financial turmoil and the expected slowdown of the US economy will prove to be challenging. However, we are confident that with the strong support of our sponsor – AmInvestment Group Bhd and the expertise of our joint venture partner – the ARA Group, we will continue to add value to our portfolio and deliver stable and sustainable distributions to our unitholders.

PERFORMANCE OF PROPERTY PORTFOLIO

AmFIRST's good performance was achieved through active asset management by the Manager, including having a pro-active leasing strategy for the office space. The Manager also took steps to maximize the income from the 2,343 car park bays that it owns (excluding The Summit Subang USJ of which acquisition was completed only on 31 March 2008 with another 2,125 car park bays).

For the financial year ended 31 March 2008, committed occupancy rate of the portfolio remained high at 94.4%. During the year, tenancies were renewed at higher rates - with positive rental reversion of 12.3% achieved for the portfolio. To further improve the occupancy and rental rates, we have engaged consultants to carry out asset upgrading and enhancement works to a few of our properties. Some of the works are expected to commence in the first financial quarter ending June 2008 and complete by the end of the new financial year.

AmFIRST's portfolio of buildings is carried in its book at the original acquisition cost. The benchmark prices established for office building transactions over the last six months are expected to have a positive impact on the capital value of the 1.4 million sq ft of office space owned by AmFIRST. AmFIRST is expected to carry out an asset re-valuation exercise by the end of the next financial year ending 31 March 2009, in accordance with the Securities Commission's Real Estate Investment Trust guidelines.

Chairman's Statement (Cont'd)



ACQUISITIONS

The Trust added two new properties to its portfolio during the financial year, namely Kelana Brem Towers and The Summit Subang USJ in June 2007 and March 2008 respectively. With these acquisitions, the assets under management increased by 72.0% from RM487 million to RM840 million while the total net lettable area rose by a significant 77.0% from 1.3 million sq ft to 2.3 million sq ft (inclusive of The Summit Hotel).

The yield-accretive acquisition of The Summit Subang USJ would boost the earnings of AmFIRST from the next financial year onwards. It also provides geographical and sector diversification to the Trust by moving from a pure office REIT to include retail space and a business-class hotel. We are of the view that the population demographics (of a growing population, a relatively large young population age group, increasing urbanization with growing disposable income) together with the steady performance of the economy would support our investment in retail malls with good catchment population and catering mainly to domestic consumption needs.

FINANCIAL PERFORMANCE

AmFIRST recorded a creditable set of results for its first full financial year ended 31 March 2008, outperforming its forecast as stated in the listing Prospectus. Results for the quarter ended 31 March 2008 also outperformed those of the corresponding quarter ended 31 March 2007 (which commenced from the listing date of 21 December 2006 to 31 March 2007).

The Trust recorded revenue of RM57.85 million for the financial year ended 31 March 2008, which is 12.8% above its forecast. Net Property Income of RM40.64 million was 11.3% above forecast while distributable income reached RM31.31 million. The distributable income of RM31.31 million works out to a distribution per unit of 7.299 sen for the financial year ended 31 March 2008 and this gives a yield of 8.4% based on the closing price of RM0.87 for AmFIRST on 31 March 2008.

On a quarterly basis, for the period from 1 January 2008 to 31 March 2008, revenue of RM14.81 million was 19.4% higher than RM12.42 million registered for the corresponding quarter ended 31 March 2007, whilst Net Property Income and Distributable Income was 15.9% and 3.6% higher respectively. The increase in revenue and income was mainly due to the contribution from Kelana Brem Towers, which was acquired in June 2007. Organic growth from rental reversion also contributed to the higher revenue and earnings.

DISTRIBUTION TO UNITHOLDERS

We are pleased to declare a final distribution of 3.676 sen per unit in respect of the distribution for the period 1 October 2007 to 31 March 2008, which will be paid on 30 May 2008. The Trust had earlier (on 30 November 2007) already paid out an interim distribution of 3.623 sen in respect of distribution for the six-month period ended 30 September 2007, bringing the total distribution per unit for the whole financial year to 7.299 sen.

OUTLOOK

On Malaysian REIT market

The growth of the Malaysian REIT market is expected to continue as companies with large property portfolio seek ways to monetize their assets. Some of them have announced their plans to launch REITs. Moving forward, the quality of the portfolio of properties as well as the professionalism and expertise of the management team would be important attributes of successful REITs.

As for interest rate trends, in the short to medium term there is no expectation of interest rate increase - which is a reflection of the steady growth of the Malaysian economy. The authority deemed the current rates to be at an appropriate level for the economy. However, we will have to continue to monitor the trends and take appropriate action to address any impact of rising interest rates on AmFIRST's performance.

On AmFIRST

AmFIRST latest acquisition of about 557,000 sq ft of retail space, 108,000 sq ft of office space, 2,125 car parks and a 332-room hotel within the integrated development known as The Summit Subang USJ, would start to contribute revenue and earnings from 1 April 2008. This is expected to improve the performance of AmFIRST.

Apart from growth coming from our acquisitions, AmFIRST will embark on an asset management program to improve the quality of its buildings, tenantable state of pockets of space and overall, to increase the earnings potential of its portfolio.

The Manager would also continue to evaluate acquisition opportunities which would improve and enhance the portfolio earnings. On the acquisition front, AmFIRST has three distinct acquisition pipelines - the Sponsor's own bank buildings and branch network; tapping the Sponsor's clientele base of real estate developers and investors who may be looking to monetize their assets; and ARA Asia Dragon Fund ("ADF"), a USD1 billion private equity real estate fund managed by the ARA Group. Where appropriate, ADF's assets in Malaysia may be divested to AmFIRST when they have achieved stable cash flows and are yield accretive to AmFIRST.

I would like to thank our Unitholders, tenants and business partners for their unwavering support. I would also like to thank our Board of Directors for their guidance and commitment in managing the trust, and the management team for making this year a successful and fruitful year.

Dato' Azlan Hashim
Chairman

5 May 2008

Management Team

CEO PROFILE

Anthony Ooi Kwee Yang

Acting Chief Executive Officer

Mr Ooi, a Malaysian, aged 65, was appointed as Acting Chief Executive Officer and Chief Investment Officer on 5 October 2006. Mr Ooi has many years of international and business experience in the finance, investment and commerce sectors. Mr Ooi was previously a consultant involved in advising, promoting and investing in selected pre-IPO companies for listing in SGX or Bursa Malaysia.

From 1980 to 1986, Mr Ooi was the Director and General Manager of Great Pacific Finance Ltd, a deposit-taking company in Singapore. The company was sold to DBS Bank of Singapore in 1986 as part of the Singapore Government's policy to consolidate the financial institutions in Singapore.

From 1978 to 1980, he was based in London as the Manager of the London branch of United Overseas Bank (UOB) of Singapore. Prior to that, he was the Banking Manager with AMDB Bank in Malaysia. He also held the position of Investment Officer with the Private Investment Co for Asia (PICA), an equity investment company, which focused on investments in developing countries in Asia from 1971 to 1976 before moving to the Asian Development Bank based in Manila, the Philippines, as a Control Officer for 2 years.

Mr Ooi began his career in 1966 with Jardine Waugh Ltd, a British trading company under the Jardine Matheson Group, where he worked for 6 years.

Mr Ooi graduated from the University of Singapore and holds a degree in the Bachelor of Economics. He also studied Banking in Citibank Middle East and North Africa Training Schools in Athens, Greece as well as Management in Asian Institute of Management in Manila, the Philippines.

Family Relationship with any Director and/or Substantial Unitholder.

Mr Ooi has no relationship with any other Directors or substantial unitholders.

Conflict of Interest

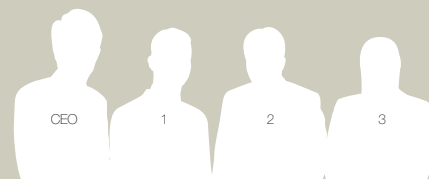
No conflict of interest has arisen during the financial year under review.

Conviction for Offences

Mr Ooi has not been convicted of offences within the past 10 years.

MANAGEMENT TEAM

1. Panneer Selvam Narayanan
Head, Finance
2. Zuhairy bin Md. Isa
Head, Asset Management
3. Zety Fazilah binti Haji Baharuddin
Investor Relations Manager



Corporate Governance



Am ARA REIT Managers Sdn Bhd (“Am ARA” or the “Manager”), as the Manager of AmFIRST Real Estate Investment Trust (“AmFIRST”), has adopted an overall corporate governance framework that is designed to meet best practice principles and which recognises that an effective corporate governance culture is critical to the performance of the Manager and consequently, the success of AmFIRST, which it manages.

In particular, the Manager has an obligation to act honestly, with due care and diligence, and in the best interest of unitholders. This obligation ties in with the Manager’s prime responsibility in managing the assets and liabilities of AmFIRST for the benefit of unitholders.

THE MANAGER OF AmFIRST

The Manager’s primary responsibility is to manage and administer AmFIRST in accordance with the investment policy of AmFIRST for the benefit of the unitholders. Amongst others, the Manager will be responsible for the following:

- Determining the investment policies of AmFIRST
- Formulating strategic direction of AmFIRST
- Developing business plans for investments in the short, medium and long-term, and the budget of AmFIRST
- Formulating AmFIRST’s risk management policies
- Recommending acquisition, divestment or asset enhancement of AmFIRST’s assets to the trustee
- Devising the leasing strategies and managing tenants
- Ensuring compliance with the applicable provisions of the Deed constituting AmFIRST (“Deed”), the Securities Commission Acts 1993, the Securities Commission (“SC”) Guidelines on Real Estate Investment Trusts (“REITs”), SC Guidelines on Unit Trust Funds, the Listing Requirements of Bursa Malaysia Securities Berhad and other relevant legislations
- Supervising the Property Manager
- Performing any other duties and obligations as provided under the Deed, SC Guidelines on REITs and SC Guidelines on Unit Trust Funds

AmFIRST, constituted as a trust, is externally managed by the Manager and accordingly, it has no personnel of its own. The Manager appoints experienced and well-qualified management personnel to handle the day-to-day operations of the Manager. All Directors and employees of the Manager are remunerated by the Manager and not AmFIRST.

DIRECTORS OF THE MANAGER

The Board

The Manager is led and managed by an experienced Board with a wide and varied range of expertise. This broad spectrum of skills and experiences gives added strength to the leadership, thus ensuring the Manager is under the guidance of an accountable and competent Board. The Directors recognise the key role they play in charting the strategic direction, development and control of the Manager and have adopted the six primary responsibilities as listed in the Code as well as the roles and duties set out in the REIT Guidelines, which facilitate the discharge of the Directors’ stewardship responsibilities.

Board Balance

The Board currently comprises 3 non-independent non-executive Directors, two independent non-executive Directors and two alternate Directors. The profile of the members of the Board are provided in pages 5 to 7 of the Annual Report.

The chairman leads the Board and is responsible for the vision and strategic directions of the Manager as well as to monitor progress on implementation of Key Performance Areas and strategic developments.

The Acting Chief Executive Officer is responsible for the day-to-day operations and he works with the Board of Directors to determine the overall business, investment and operational strategies for AmFIRST and ensures that they are implemented as planned and in accordance with the Deed, Securities Commission Act and Guidelines. In addition, the Acting Chief Executive Officer is also responsible for the overall planning in respect of the future strategic development and growth of AmFIRST.

Board Meetings

Board meetings are scheduled at least four (4) times per annum to review the operations of AmFIRST and to approve the interim and annual financial statements of AmFIRST. Additional meetings are held as and when urgent issues and important decisions need to be taken between the scheduled meetings.

Corporate Governance (Cont'd)

Attendance At Board Of Director's Meetings

The Board currently comprises seven Directors of which three are non-independent non-executive, two are independent non-executive and two alternate Directors.

During the financial year, the Board met five times. The number of meetings attended by each Director is as follow:-

Directors	Number of Board meetings held during Directors' tenure in office	Number of meetings attended by Directors
Y. Bhg. Dato' Azlan Hashim	5	5
Mr Cheah Tek Kuang	5	5 *
Mr Lim Hwee Chiang	5	5 **
Y.Bhg. Dato' Teo Chiang Quan	5	5
Tuan Haji Mohd Salleh Akram	5	5

* 2 out of the 5 meetings were attended by his Alternate Director, Ms. Pushpa Rajadurai.

** 2 out of the 5 meetings were attended by his Alternate Director, Mr. Michael Lim Poh Kok.

Access to and Supply of Information and Advice

All Board members are supplied with information on a timely manner. Board reports are circulated prior to Board meetings and the reports provide among others, financial and corporate informations, significant operational, financial and corporate issues, performance of AmFIRST and management's proposals which require the approval of the Board.

All Directors have access to the advice and services of the Company Secretary as well as to independent professional advice.

Appointment to the Board

The Board has decided that the Board as a whole will serve as the Nominating Committee. All new nominations received are assessed and approved by the entire Board in line with its policy of ensuring nominees are persons of sufficient caliber and experience.

The process of assessing the Directors is an on-going responsibility of the entire Board.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for ensuring the proper maintenance of accounting records for AmFIRST. The Directors are satisfied that in preparing the financial statements of AmFIRST for the financial year ended 31 March 2008, AmFIRST has used the appropriate accounting policies and applied them consistently. The Directors are also of the view that relevant approved accounting standards have been adopted in the preparation of the financial statements.

Internal Controls

The Board has overall responsibility for maintaining a system of internal controls that covers financial and operation controls and risk management. The system provides reasonable but not absolute assurance against material misstatement of management and financial information or against financial losses and fraud.

Relationship with Auditor

The appointment of external auditor who may be nominated by the Manager, is approved by the Trustee. The auditor appointed must be independent of the Manager and Trustee. The remuneration of the auditor is approved by the Trustee.

RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

The Manager will establish procedures that will ensure that related party transactions and conflicts of interest are undertaken in full compliance to the Securities Commission Guidelines on REITs, The Deed and the Listing Requirement of Bursa Malaysia Securities Berhad.

The Board will consider AmFIRST's best interest in relation to decisions affecting it when they vote as a member of the Board. In addition, the Directors, and Acting Chief Executive Officer of the Manager are expected to act with honesty and integrity at all times.

Corporate Governance (Cont'd)



RISK ASSESSMENT AND MANAGEMENT OF BUSINESS RISK

The Manager operates within overall guidelines and specific parameters set by the Board. Each transaction is comprehensively analysed to understand the risks involved. Responsibility for managing risks lies initially with the business unit concerned, working within the overall strategy outlined by the Board.

The Board reviews the risks to the assets of AmFIRST, and acts upon any comments of the auditor. In assessing business risks, the Board considers the economic environment and the property industry risk.

COMMUNICATION WITH UNITHOLDERS

The Board acknowledges the importance of regular communication with unitholders and investors via annual reports, circulars and quarterly financial reports. Various announcements were also made during the financial year, through which unitholders and investors can have an overview of AmFIRST's performance and operations.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility ("CSR") is part of the organisation's way of succeeding in business, and is, in essence, a set of transparent and ethical actions to give back, nurture and aid in the progress of the various environments in which the corporation operates. This is to contribute to the partners, customers and sources without which the organisation would not be able to succeed and prosper.

As part of our responsibility to the market place, AmFIRST's business transactions, deals and relationships with all its groups of customers, suppliers and partners are executed with the highest concern for transparency and ethical conduct, guided by high corporate governance standards. At the workplace, we encouraged staffs to be environmentally friendly and adopt cost saving measures.

OTHER INFORMATION

Family Relationship with any Director and/or Substantial Unitholder

None of the Directors of the Manager has any family relationship with any other Directors or major unitholders except for Dato' Azlan Hashim who is the brother of Tan Sri Dato' Sri Azman Hashim, a substantial unitholder through AmEquities Sdn Bhd, RCE Synergy Sdn Bhd and AmcorpGroup Berhad.

Conflict of Interest

Save for the Director's interest in AmFIRST (as disclosed under Director's Interest in the Manager's Report) and the transactions with companies related to the Manager (as disclosed in the notes to the financial statements), no conflict of interest has arisen during the financial year under review.

Convictions for Offences

None of the Directors have been convicted for offences within the past 10 years.

Material Contracts

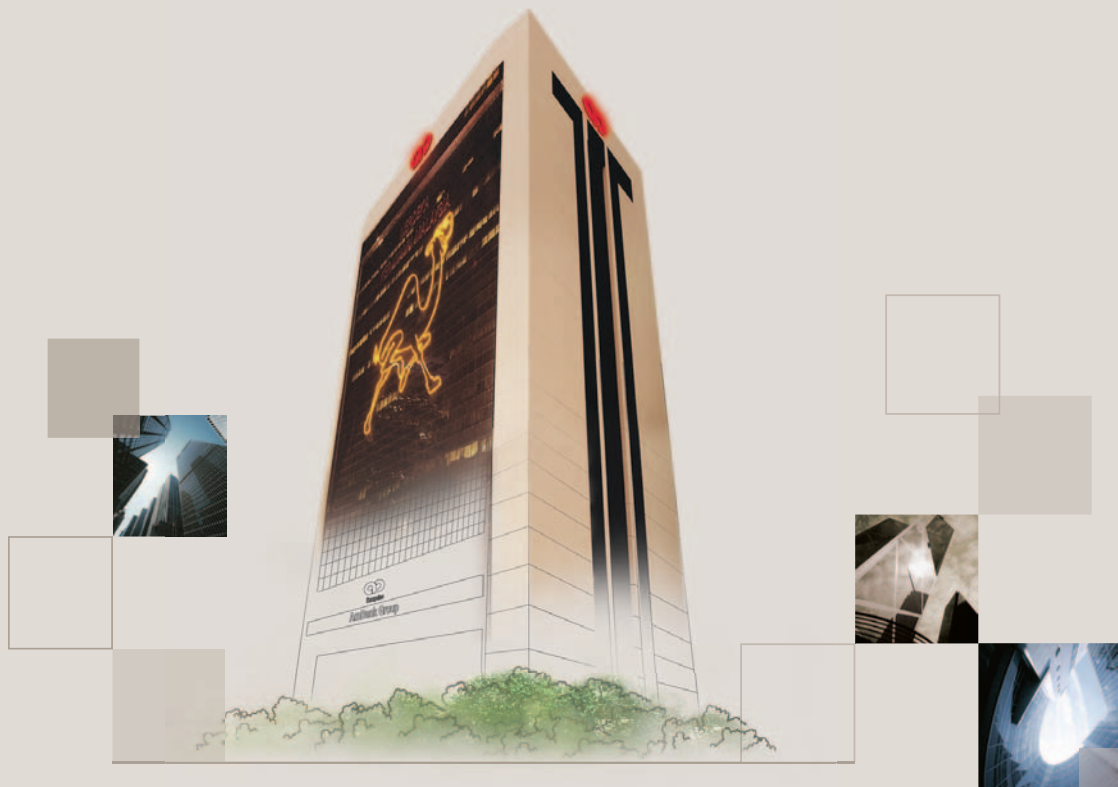
There were no material contracts entered by the Trust that involved the Directors of the Manager or substantial unitholders of the Trust during the financial year under review.

Directors' Training

All the Directors have met with the prescribed Continuous Education Programme through attendance of in-house and external programmes to enable them to discharge their duties and responsibilities effectively.

In addition, all Directors are encouraged to attend seminars, conferences and various training programmes to keep abreast with developments in the real estate industry.

Property Portfolio



BANGUNAN AmBANK GROUP

Bangunan AmBank Group is located along Jalan Raja Chulan, a main business district within the heart of Kuala Lumpur Golden Triangle, where many high-rise purpose built offices housing reputable companies are situated.

Property Portfolio (Cont'd)



ADDRESS

Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur

TITLE DETAILS

Sited on the land held under
Title No. Pajakan Negeri 4512
Lot No. 1200, Section 57
Town and District of Kuala Lumpur
Wilayah Persekutuan

PROPERTY TYPE/ USE

Commercial Office Building

EXISTING USE

Commercial Office

DESCRIPTION OF PROPERTY

26-storey office building comprising
a 21-storey office tower block, 1 level
of amenities including a cafeteria, a
gymnasium and a multi-purpose hall
with 4 levels of aboveground car park
and 3 levels of basement car park

AGE

22 years

TENURE

Leasehold 99 years expiring on
3 June 2084 with remaining lease
period of 76 years

AVERAGE LEASE PERIOD

3 years

NET LETTABLE AREA

360,166 sq. ft.

PARKING SPACE

522 car park bays

DATE OF ACQUISITION

21 December 2006

COST OF ACQUISITION

RM180,152,206

OCCUPANCY RATE

99.4%

AVERAGE RENTAL RECEIVED

RM1,645,000 per month

AVERAGE MAINTENANCE
COST

RM405,000 per month

MAJOR TENANTS

1. AHB Group
2. Messrs Shook Lin & Bok
3. Messrs Syed Alwi, Ng & Co

MAJOR CAPITAL
EXPENDITURE

Nil

ENCUMBRANCES

None

LIMITATION IN TITLE/ INTEREST

None

LAST VALUATION

RM180,000,000

BASIS OF VALUATION

Comparison and Investment Method

DATE OF LAST VALUATION

7 March 2006

FAIR VALUE ADJUSTMENT

Nil

NET BOOK VALUE

RM180,152,206

VALUER

C H William Talhar & Wong Sdn Bhd

Property Portfolio (Cont'd)



MENARA AmBANK

Menara AmBank is located along Jalan Yap Kwan Seng, within the heart of the Kuala Lumpur Golden Triangle and immediately to the north of Kuala Lumpur City Centre. It is a prominent office building (one of the top three winners in the 2007 Building Illumination and Decorative Competition) surrounded by high-rise purpose built office building, prime retail complexes, luxurious high-rise condominiums/ service apartment and international hotels.

Property Portfolio (Cont'd)



ADDRESS

Menara AmBank
No. 8 Jalan Yap Kwan Seng
50450 Kuala Lumpur

TITLE DETAILS

Sited on the land held under Title No.
Gm 52468, Lot No. 140, Section 44
Town and District of Kuala Lumpur
Wilayah Persekutuan

PROPERTY TYPE/ USE

Commercial Office Building

EXISTING USE

Commercial Office

DESCRIPTION OF PROPERTY

46-storey office building comprising a
38-storey office tower block, 1 level of
amenities and 7 levels car park

AGE

12 years

TENURE

Freehold

AVERAGE LEASE PERIOD

3 years

NET LETTABLE AREA

458,882 sq. ft.

PARKING SPACE

795 car park bays

DATE OF ACQUISITION

21 December 2006

COST OF ACQUISITION

RM230,163,542

OCCUPANCY RATE

95.8%

AVERAGE RENTAL RECEIVED

RM1,860,000 per month

AVERAGE MAINTENANCE
COST

RM510,000 per month

MAJOR TENANTS

1. AmBank (M) Bhd
2. MBF Cards (M) Sdn Bhd
3. Acer Sales & Services Sdn Bhd

MAJOR CAPITAL
EXPENDITURE

Nil

ENCUMBRANCES

None

LIMITATION IN TITLE/ INTEREST

None

LAST VALUATION

RM230,000,000

BASIS OF VALUATION

Comparison and Investment Method

DATE OF LAST VALUATION

7 March 2006

FAIR VALUE ADJUSTMENT

Nil

NET BOOK VALUE

RM230,169,542

VALUER

C H William Talhar & Wong Sdn Bhd

Property Portfolio (Cont'd)



MENARA MERAIS

Menara Merais is a landmark building in Petaling Jaya, as it is the only high rise building in the area. It is located at Jalan 19/3, within Section 19, Petaling Jaya next to the Rothman roundabout. Its immediate locality comprises purpose built offices, warehouses, industrial and showroom premises.

Property Portfolio (Cont'd)



ADDRESS Menara Merais No. 1, Jalan 19/3 Section 19/3 46300 Petaling Jaya Selangor Darul Ehsan	AVERAGE LEASE PERIOD 3 years	MAJOR CAPITAL EXPENDITURE Nil
TITLE DETAILS Sited on the land held under HSM 9104, PT No 29649 Mukim of Sungai Buloh, District of Petaling and State of Selangor	NET LETTABLE AREA 159,002 sq. ft.	ENCUMBRANCES None
PROPERTY TYPE/ USE Commercial Office Building	PARKING SPACE 324 car park bays	LIMITATION IN TITLE/ INTEREST None
EXISTING USE Commercial Office	DATE OF ACQUISITION 21 December 2006	LAST VALUATION RM58,000,000
DESCRIPTION OF PROPERTY 22-storey purposebuilt office building comprising 3 levels of basement car park and a 2-storey mechanical block	COST OF ACQUISITION RM57,080,705	BASIS OF VALUATION Comparison and Investment Method
AGE 12 years	OCCUPANCY RATE 68.0%	DATE OF LAST VALUATION 8 March 2006
TENURE Freehold	AVERAGE RENTAL RECEIVED RM348,000 per month	FAIR VALUE ADJUSTMENT Nil
	AVERAGE MAINTENANCE COST RM158,000 per month	NET BOOK VALUE RM57,080,705
	MAJOR TENANTS 1. KAO (M) Sdn Bhd 2. AGFA Film (Asean) Sdn Bhd	VALUER C H William Talhar & Wong Sdn Bhd

Property Portfolio (Cont'd)



AmBANK GROUP LEADERSHIP CENTRE

AmBank Group Leadership Centre is located at Lorong P. Ramlee, within the prime business district of Kuala Lumpur Golden Triangle. It is situated next to the Bukit Nanas Recreational Park and within a short walking distance to one of Kuala Lumpur's famous tourist attraction, the KL Tower.



Property Portfolio (Cont'd)



ADDRESS

AmBank Group Leadership Centre
Lorong P. Ramlee
50250 Kuala Lumpur

TITLE DETAILS

Sited on the land held under Title
No. GRN 6312, Lot No. 1153
Section 57, Town and District of
Kuala Lumpur, Wilayah
Persekutuan Kuala Lumpur

PROPERTY TYPE/ USE

Commercial Office Building

EXISTING USE

Commercial Office

DESCRIPTION OF PROPERTY

14-storey office building
comprising a 10-storey office tower
block, a penthouse and 3 levels of
car park

AGE

19 years

TENURE

Freehold

AVERAGE LEASE PERIOD

3 years

NET LETTABLE AREA

57,801 sq. ft.

PARKING SPACE

57 car park bays

DATE OF ACQUISITION

21 December 2006

COST OF ACQUISITION

RM19,056,513

OCCUPANCY RATE

92.0%

AVERAGE RENTAL RECEIVED

RM160,000 per month

AVERAGE MAINTENANCE
COST

RM68,000 per month

MAJOR TENANTS

1. AmInvestment Bank Bhd
2. BZ Bees Florist

MAJOR CAPITAL
EXPENDITURE

Refurbishment of office space at Level
11, 12 and 13 has been completed on
15 February 2008 involving a total cost
of RM293,000

ENCUMBRANCES

None

LIMITATION IN TITLE/ INTEREST

None

LAST VALUATION

RM19,000,000

BASIS OF VALUATION

Comparison and Investment Method

DATE OF LAST VALUATION

7 March 2006

FAIR VALUE ADJUSTMENT

Nil

NET BOOK VALUE

RM19,249,414

VALUER

C H William Talhar & Wong Sdn Bhd

Property Portfolio (Cont'd)



KELANA BREM TOWERS

Kelana Brem Towers comprises two (2) 16-storey purpose built office towers located within Kelana Jaya business park. It is situated at the western fringe of Petaling Jaya and approximately 25 kilometres from Kuala Lumpur City Centre. It is surrounded mainly by high-rise office buildings, high-rise condominiums, recreational and sport complex. The building is located next to the MPPJ Stadium.



Property Portfolio (Cont'd)



ADDRESS

Kelana Brem Towers
 Jalan SS 7/15 (Jalan Stadium)
 47301 Kelana Jaya
 Selangor Darul Ehsan

AVERAGE LEASE PERIOD

3 years

MAJOR CAPITAL EXPENDITURE

Nil

TITLE DETAILS

Sited on the land held under
 HSM 8547, Lot No. PT 5135
 Mukim of Damansara, District of Petaling
 and State of Selangor Darul Ehsan

NET LETTABLE AREA

287,403 sq. ft.

ENCUMBRANCES

None

PARKING SPACE

645 car park bays

LIMITATION IN TITLE/ INTEREST

None

PROPERTY TYPE/ USE

Commercial Office Building

COST OF ACQUISITION

RM86,050,991

LAST VALUATION

RM88,000,000

BASIS OF VALUATION

Comparison and Investment Method

EXISTING USE

Commercial Office

OCCUPANCY RATE

100.0%

DATE OF LAST VALUATION

20 September 2006

DESCRIPTION OF PROPERTY

16-storey office building comprising
 2 tower blocks, a 5-storey podium
 block and 1 level of basement car park

AVERAGE RENTAL RECEIVED

RM733,000 per month

FAIR VALUE ADJUSTMENT

Nil

AGE

7 years

AVERAGE MAINTENANCE COST

RM218,000 per month

NET BOOK VALUE

RM86,050,991

TENURE

Leasehold 99 years expiring
 on 19 February 2094 with remaining
 lease period of 86 years

MAJOR TENANTS

1. Lembaga Hasil Dalam Negeri
2. LG Electronics (M) Sdn Bhd
3. Kimberly-Clark Trading (M) Sdn Bhd
4. Swisslog Malaysia Sdn Bhd
5. Superkad Services Sdn Bhd

VALUER

Rahim & Co. Chartered Surveyors
 Sdn Bhd

CERTIFICATE OF FITNESS

10 November 2001

Property Portfolio (Cont'd)



THE SUMMIT SUBANG USJ

The Summit Subang USJ is located within one of the commercial hubs of UEP Subang Jaya and one of the major townships in the Klang Valley. It is located adjacent to its older and smaller twin township of Subang Jaya, and is situated 30 kilometres from Kuala Lumpur. It is accessible via Federal Highway or New Pantai Expressway.

Property Portfolio (Cont'd)



<p>ADDRESS The Summit, Subang USJ Persiaran Kewajipan, USJ 1 47600 UEP Subang Jaya Selangor Darul Ehsan</p>	<p>AVERAGE LEASE PERIOD 2 - 3 years</p>	<p>MAJOR CAPITAL EXPENDITURE Nil</p>
<p>TITLE DETAILS (PARENT LOT) Sited on the land held under GRN 43528, Lot 14 Pekan Subang Jaya District of Petaling State of Selangor Darul Ehsan</p>	<p>NET LETTABLE AREA Acquired Retail Lots - 562,188 sq ft Acquired Office Lots - 108,500 sq ft Hotel Tower - 286,470 sq ft</p>	<p>ENCUMBRANCES None</p>
<p>PROPERTY TYPE / USE Mixed commercial</p>	<p>PARKING SPACE 2,125 car park bays</p>	<p>LIMITATION IN TITLE/ INTEREST None</p>
<p>EXISTING USE Office, Retail and Hotel</p>	<p>DATE OF ACQUISITION 31 March 2008</p>	<p>LAST VALUATION RM265,000,000</p>
<p>DESCRIPTION OF PROPERTY Mixed commercial complex comprising a 13-storey office tower blocks, sitting atop a 6-storey retail podium and 17- storey, 332-rooms (4-star rated) hotel with 2,125 car parking bays</p>	<p>COST OF ACQUISITION RM263,287,583</p>	<p>BASIS OF VALUATION Comparison and Investment Method</p>
<p>AGE 10 years</p>	<p>OCCUPANCY RATE Acquired Retail Lots - 91.1% Acquired Office Lots - 93.5% Hotel Tower - 70.3%</p>	<p>DATE OF LAST VALUATION 13 June 2007</p>
<p>TENURE Freehold</p>	<p>AVERAGE RENTAL RECEIVED Nil *</p>	<p>FAIR VALUE ADJUSTMENT Nil</p>
	<p>AVERAGE MAINTENANCE COST Nil</p>	<p>NET BOOK VALUE RM263,287,583</p>
	<p>MAJOR TENANTS 1. Golden Screen Cinema 2. Ampang SuperBowl 3. Cold Storage</p>	<p>VALUER Rahim & Co. Chartered Surveyors Sdn Bhd</p>
		<p>CERTIFICATE OF FITNESS 19 June 2002</p>

* The figure is not reflected as the property was acquired on 31 March 2008.

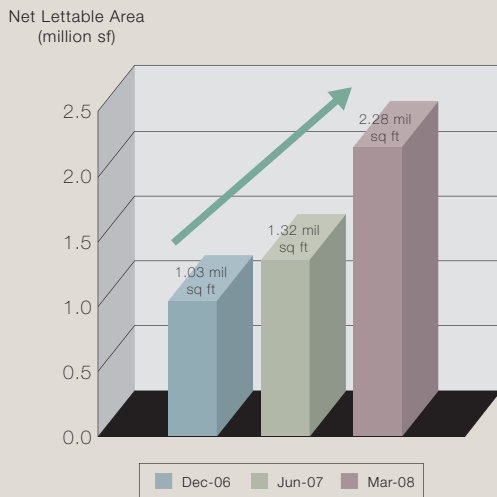
Portfolio Review

PROPERTY REVIEW

Acquisition of yield-accretive properties has been the focus of AmFIRST's strategy to build up the portfolio of the Trust. During the financial year ended 31 March 2008, AmFIRST completed the acquisition of two fairly sizeable properties which were valued at a total of RM353 million. The acquisitions increased our total assets under management by a noteworthy 72.5% to RM840 million. Kelana Brem Towers (acquired for a cash consideration of RM85 million) contributed to the income of the Trust from 21 June 2007, while The Summit Subang USJ (acquired for a cash consideration of RM260 million for the developer's retained units) would start to contribute to revenue and income from 1 April 2008.

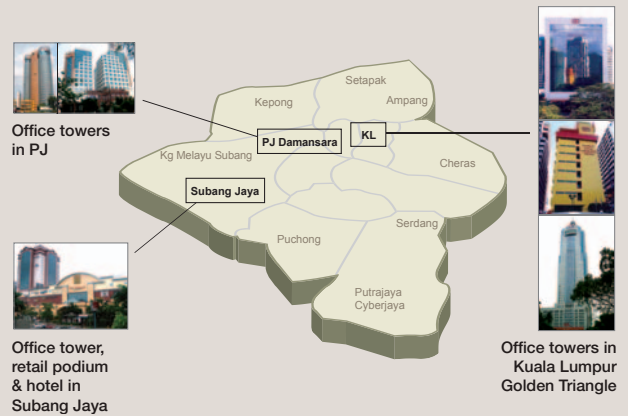
Both acquisitions have also increased AmFIRST's net lettable space under management by more than one fold (121.4%) from the initial 1.03 million sq ft to 2.28 million sq ft, out of which 1.43 million sq ft is in office space, 0.56 million sq ft is in retail space and 0.29 million sq ft relates to the hotel tower. AmFIRST remains the largest office space REIT in Malaysia, well-positioned to capitalise on rising rental rates and capital values due to a lack of supply of quality office space in Kuala Lumpur.

Growth of Space Under Management



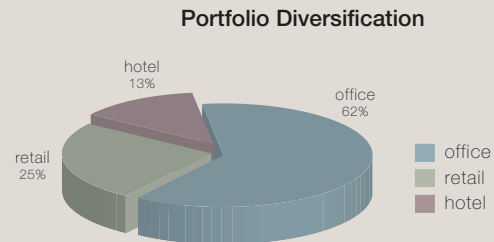
Source: Am ARA

The Summit Subang USJ marks a new milestone for AmFIRST, providing both geographical as well as sector diversification to the Trust by moving from a pure office space REIT to include part retail space and a business-class hotel. Am ARA REIT Managers Sdn Bhd, the Manager of AmFIRST, is of the view that the population demographics in Malaysia support the case for long term investment in well-located suburban retail malls with good catchment population and that cater mainly to domestic consumption needs.



PORTFOLIO DIVERSIFICATION

AmFIRST is diversifying its property portfolio and now owns a property in three (3) sub-sectors namely office, retail and hotel.



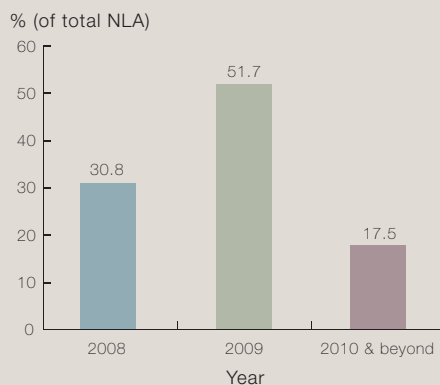
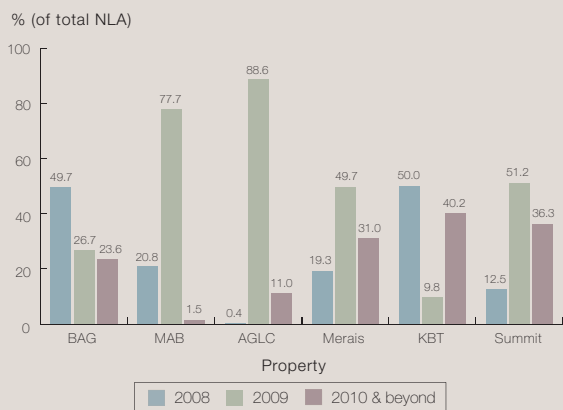
Source: Am ARA

In evaluating future acquisitions, AmFIRST will continue to focus on the yield accretion, location, tenant strength, lease structure, building age and enhancement possibilities, valuation, occupancy and capital appreciation. These are part of the Manager's efforts to maximise Unitholders' value and to provide better DPU.

Portfolio Review (Cont'd)



TENANCY EXPIRY PROFILE



During the financial year, working closely with our leasing agents (in line with our pro-active leasing strategy), we managed to renew leases at higher rates, achieving a positive average rental reversion (increase) of 12.3% for the whole portfolio. This also reflects the continued uptrend in rental rates. Going forward, we expect the positive rental reversion to continue to benefit AmFIRST as 30.8% of our leases are due for renewal in 2008 and another 51.7%, in 2009.

Moving forward, AmFIRST will continue to assess opportunities for yield-accretive acquisitions – well located properties with quality tenants and good cash flows. Management will also embark on a series of asset enhancement plans in the new financial year to further increase the earnings potential of the properties. These would be in line with the Manager's objective to grow the distribution income and maximise Unitholders' value.

PROACTIVE ASSET MANAGEMENT

The Asset Management team is constantly exploring ways to enhance value of the Trust's assets and earnings through active asset management. For financial year 2009 (commencing 1 April 2008), we intend to embark on the upgrading/refurbishment of the following four properties:

1. AmBank Group Leadership Centre

This property was acquired on 21 December 2006. The Manager plans to demolish the present internal structure/partitions and refit the highest floor to improve its tenantability. There are also plans to upgrade the lifts there.

2. Menara AmBank

This property was acquired on 21 December 2006. The 11th floor (about 16,000 sq ft) of the building was left in an unfinished 'raw' state by the previous owner and has been tenanted out as storage space in the past. It would be retrofitted and converted into lettable space. Furthermore, there is also a possibility of adding two (2) mezzanine floors within the 11th floor itself. This would generate additional rental income for AmFIRST.

3. Menara Merais

This property was acquired on 21 December 2006. The Manager plans to embark on general upgrading works to the building (including improvements to the toilets, lightings and lift lobby).

4. The Summit Subang USJ

Discussion is ongoing with consultants on the exercise to reposition the retail mall at The Summit Subang USJ to make it a shopping destination of choice for the local residents as well as tourists and/or business travellers to Subang Jaya. It will involve some refurbishment works. From the Manager's perspective, we intend to improve the performance of this asset (including maximising car park income) to significantly contribute to the portfolio earnings of AmFIRST.

Report by the Directors of The Manager

For the Financial Year Ended 31 March 2008

The Directors of Am ARA REIT Managers Sdn. Bhd., the Manager of AmFIRST, have the pleasure in presenting their report to the Unitholders of the Trust together with the audited financial statements of the Trust for the financial year ended 31 March 2008.

THE TRUST, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The Trust was constituted pursuant to the execution of a Trust Deed dated 28 September 2006 (as amended by the Supplemented, Revised and Restated Trust Deed dated 15 December 2006) by the Manager and the Trustee, Mayban Trustees Berhad. The principal activity of the Trust is to own and invest in a portfolio of commercial properties in major growth areas of Malaysia, primarily in the Klang Valley.

The Manager, incorporated in Malaysia, is a wholly-owned subsidiary of Am ARA REIT Holdings Sdn Bhd. Am ARA REIT Holdings Sdn Bhd is 70% owned by AmInvestment Group Berhad and 30% owned by ARA Asset Management (Malaysia) Limited, a wholly-owned subsidiary of ARA AmFirst (Singapore) Pte. Ltd., which is in turn a wholly-owned subsidiary of ARA Asset Management Limited ("ARA Group"), an affiliate member of the Cheung Kong Group based in Hong Kong. The principal activity of the Manager is to manage real estate investment trusts. There has been no significant change in the nature of this activity during the financial year.

MANAGER'S INVESTMENT OBJECTIVES AND STRATEGIES

Am ARA is a professional manager. The Manager's investment objectives are to deliver regular and stable distributions to Unitholders and to achieve long-term growth in the net asset value per unit through proactive management of the Trust's portfolio of assets and acquisition of yield accretive properties.

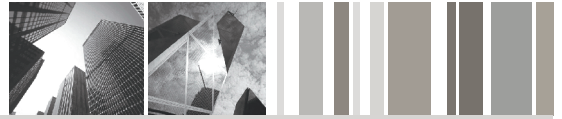
The Manager intends to achieve AmFIRST investment objectives through three key strategies:-

(i) Operating Strategy

Am ARA's operating strategy is to continue to enhance the performance of the existing properties by increasing yields and returns through retaining existing tenants, reducing vacancy levels, adding and/or optimising space at the properties and minimising interruptions in rental income and operational costs. Am ARA expects to apply the following key operating and management principles in order to continue to manage the properties efficiently, to increase the yields of the properties and to maximise growth:-

Report by the Directors of The Manager (Cont'd)

For the Financial Year Ended 31 March 2008



MANAGER'S INVESTMENT OBJECTIVES AND STRATEGIES (CONT'D)

(i) Operating Strategy (Contd.)

- Improve rental rates;
- Establish close relationships with tenants to optimise tenant retention;
- Diversify tenant base;
- Review tenant mix and re-configure existing space;
- Maintain the quality of the properties;
- Maximise the performance of each property;
- Improve operating efficiencies and economies of scale; and
- Raise the profile of the properties.

(ii) Acquisition Strategy

The Manager intends to pursue an acquisition strategy for AmFIRST to increase net property income and the potential for asset growth based on the following criteria:

- Yield-accretive;
- Healthy tenant mix and occupancy level;
- Good location;
- Value adding opportunities; and
- Good building and facilities specifications.

The Manager expects to benefit from the network of the sponsor and its JV Partner, ARA Asset Management (Malaysia) Limited, which is part of the ARA Group. ARA Group is a leading real estate fund management house in Asia. It has a strong presence in the region, with investments in many parts of Asia. ARA Group possesses expertise in identifying opportunities in the development of the Asian real estate industry, and is dedicated to the real estate fund management business. Its key staff have been involved with many corporate restructurings in Asia involving real estate assets. Their experience and network will provide an edge to the Manager in its efforts to grow AmFIRST.

AmFIRST intends to hold the properties on a long-term basis. In the future where the Manager considers that any property has reached a stage that offers only limited scope for growth, it may consider selling the property and using the proceeds for alternative investments in properties that meet the Manager's investment criteria.

Report by the Directors of The Manager (Cont'd)

For the Financial Year Ended 31 March 2008

MANAGER'S INVESTMENT OBJECTIVES AND STRATEGIES (CONTD.)

(iii) Capital Management Strategy

The Manager's strategy for the management of AmFIRST's capital structure involves adopting and maintaining an appropriate debt-equity structure with gearing level to be maintained within the prescribed limits and utilising an active interest rate management policy to manage the risks associated with interest rate fluctuations. The Manager believes that this strategy will:-

- Optimise Unitholders' returns;
- Maintain operating flexibility when considering capital expenditure requirements; and
- Enable AmFIRST to maintain financing flexibility in the funding of future acquisitions.

INVESTMENT POLICIES AND COMPLIANCE WITH REIT GUIDELINES

(i) Permitted Investments and Restrictions

AmFIRST is allowed to invest in real estate, single-purpose companies whose principal assets comprise real estate, real estate-related or non real estate-related assets, liquid assets, asset-backed securities, listed or unlisted debt securities, and any other investment which is permissible under the REIT Guidelines or otherwise permitted by the SC.

AmFIRST will not extend loans and any other credit facilities to any party, enter into forward purchases or sales in any currency or any foreign-exchange contracts unless these instruments are in compliance with the Exchange Control Act 1953. The Trust will also not be involved in property development, except in the case where the development is made with a view of purchasing the real estate upon completion and having met the criteria stipulated under the REIT Guidelines.

(ii) Portfolio Composition

AmFIRST's investments may be allocated in the following manner, as prescribed by the REIT Guidelines:

- (a) at least 75% of AmFIRST's total assets shall be invested in real estate, single-purpose companies whose principal assets comprise real estate, real estate-related assets and/or liquid assets;
- (b) at least 50% of AmFIRST's total assets must be invested in real estate and/or single-purpose companies whose principal assets comprise real estate; and
- (c) the remaining 25% of AmFIRST's total assets may be invested in real estate-related assets, non real estate-related assets and/or asset-backed securities.

Report by the Directors of The Manager (Cont'd)

For the Financial Year Ended 31 March 2008



INVESTMENT POLICIES AND COMPLIANCE WITH REIT GUIDELINES (CONTD.)

(iii) Diversification

AmFIRST will seek to diversify its real estate portfolio by property type and location. AmFIRST will focus on investing in real estate which are primarily used for commercial purposes.

(iv) Gearing

AmFIRST is able to leverage on borrowings to make permitted investments which will enhance the returns to Unitholders. Under the REIT Guidelines, AmFIRST is permitted to procure borrowings of up to 50%, or any other percentage as stipulated by the REIT Guidelines from time to time, of its total asset value.

REVIEW OF PERFORMANCE

	As at 31 March 2008	As at 31 March 2007
Net asset value (RM'000)	442,643	435,221
Units in circulation (units) ('000)	429,001	429,001
Net asset value per unit (RM)	1.03	1.01
Market price per unit at close of financial year/period (RM)	0.87	0.89
Highest traded price per unit during the financial year/period (RM)	1.00	1.00
Lowest traded price per unit during the financial year/period (RM)	0.83	0.86
	Actual	Prospectus
Results comparison (RM'000)		
Total revenue	57,853	51,301
Net property income	40,644	36,518
Income before taxation	31,313	31,080
Income after taxation	31,313	31,080
Income available for distribution	31,313	31,080
Earnings per unit (sen)	7.299	7.245
Distribution per unit (sen)	7.299	7.245
Distribution yield (%)		
- based on IPO price (RM1.00)	7.299%	7.245%
- based on closing price as at 31 March 2008 (RM0.87)	8.390%	8.327%*

AmFIRST exceeded its projected revenue, earnings and distribution for the financial year ended 31 March 2008.

* This figure does not appear in the Prospectus. It is computed for the purpose of comparison only.

Report by the Directors of The Manager (Cont'd)

For the Financial Year Ended 31 March 2008

DISTRIBUTION OF INCOME

In respect of the current financial year ended 31 March 2008, the total income available for distribution was RM31,312,615, translated to 7.299 sen per unit.

This included an interim income distribution of 3.623 sen per unit totalling RM15,543,692 for the 6-month period ended 30 September 2007 which was paid on 30 November 2007. This is in line with the objectives of AmFIRST to deliver regular and stable distributions to Unitholders.

A proposed final income distribution in respect of the current financial year ended 31 March 2008 of 3.676 sen per unit on 429,001,000 units amounting to RM15,768,923 has been declared by the Directors of the Manager and approved by the Trustee on 5 May 2008. The financial statements for the current financial year do not reflect this proposed final income distribution which will only be accounted for in the Unitholders' funds as an appropriation of undistributed income in the next financial year ending 31 March 2009.

The effect of the income distribution in terms of NAV per unit as at 31 March 2008 is as follows:

	Before Distribution RM	After Distribution RM
Net asset value per unit	1.032	0.995

INVESTMENTS OF THE TRUST

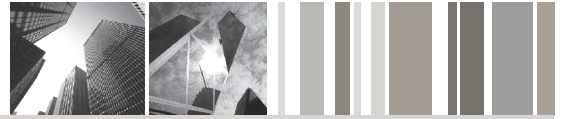
AmFIRST's composition of investments as at 31 March 2008 is as follows:

	RM 'million	% of Investment
Stated at cost		
Menara AmBank	230.2	27.0%
Bangunan AmBank Group	180.2	21.1%
Menara Merais	57.1	6.7%
AmBank Group Leadership Centre	19.2	2.3%
Kelana Brem Towers	86.0	10.1%
The Summit Subang USJ	263.3	30.9%
	836.0	98.1%
At fair value		
Deposits with financial institutions	16.1	1.9%
	852.1	100.0%

The asset values of investment properties has increased by RM349.3 million in the current year after the acquisition of Kelana Brem Towers and The Summit Subang USJ.

Report by the Directors of The Manager (Cont'd)

For the Financial Year Ended 31 March 2008



BREAKDOWN OF UNITHOLDINGS

As at 31 March 2008

	Number of Unitholders	Number of Units
5,000 and below	10,654	13,991,071
5,001 to 10,000	863	7,160,816
10,001 to 50,000	871	20,419,100
50,001 to 500,000	333	46,910,453
500,001 and above	43	340,519,560
	12,764	429,001,000

DIRECTORS OF THE MANAGER

The names of the Directors of the Manager who served on the Board at the date of this report are:

Dato' Azlan Hashim

Cheah Tek Kuang

Lim Hwee Chiang

Tuan Haji Mohd Salleh Akram

Dato' Teo Chiang Quan

Pushpa Rajadurai (Alternate to Cheah Tek Kuang)

Anthony Ang Meng Huat (Alternate to Lim Hwee Chiang) (Resigned on 30 May 2007)

Michael Lim Poh Kok (Alternate to Lim Hwee Chiang) (Appointed on 29 June 2007)

In accordance with Article 65 of the Company's Article of Association, Dato' Azlan Hashim and Cheah Tek Kuang retire and being eligible, offer themselves for re-election.

In accordance with Article 64 of the Company's Article of Association, Michael Lim Poh Kok retires and being eligible, offers himself for re-election.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during the financial year, did there subsist any arrangement to which the Manager or the Trust was a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Manager or any other body corporate or of the acquisition of units of the Trust.

Since the end of the previous financial year, no Director of the Manager has received or become entitled to receive a benefit (other than benefits which accrue from the fee paid to the Manager or from transactions made with companies related to the Manager as shown in the notes to the financial statements of the Trust) by reason of a contract made by the Manager or the Trust or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Report by the Directors of The Manager (Cont'd)

For the Financial Year Ended 31 March 2008

DIRECTORS' INTEREST

According to the register of Directors' shareholdings, the interests of Directors of the Manager in office at the end of the financial year ended 31 March 2008 are as follows:

	← Number of units in the Trust →			As at 31.03.2008
	As at 01.04.2007	Bought	Sold	
Dato' Azlan Hashim	75,000	5,000	(80,000)	-
Cheah Tek Kuang	1,000	-	(1,000)	-

Other than as stated above, none of the other Directors of the Manager in office at the end of the financial year had any interest in units in the Trust during the financial year.

MANAGER'S FEES AND COMMISSION

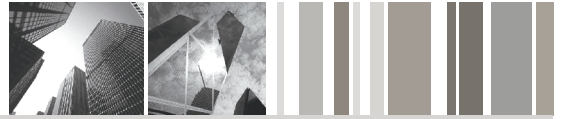
Pursuant to the Trust Deed, the Manager's fees consist of a base fee (excluding any taxes payable) of up to 0.5% per annum of the total asset value (for the period from 21 December 2006 to 31 March 2007 and the next 3 financial years ending 31 March 2010, the base fee shall be fixed at 0.3% per annum) and a performance fee (excluding any taxes payable) of 3% per annum of the net property income, but before deduction of property management fees.

In addition, the Manager will also be entitled to an acquisition fee of 1% of the acquisition price of any real estate or single-purpose company whose principal assets comprise real estate for any acquisition by AmFIRST and a divestment fee of 0.5% of the sale price of any real estate or single-purpose company whose principal assets comprise real estate, sold or divested by AmFIRST (pro-rated if applicable to the proportion of the interest in real estate or single-purpose company purchased or sold).

During the financial year, the Manager did not receive any soft commission (i.e. goods and services) from its broker, by virtue of transactions conducted by AmFIRST.

Report by the Directors of The Manager (Cont'd)

For the Financial Year Ended 31 March 2008



OTHER STATUTORY INFORMATION

- (a) Before the income statement and balance sheet of the Trust were made out, the Manager took reasonable steps:-
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts, and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to their estimated realisable values.
- (b) At the date of this report, the Manager is not aware of any circumstances not otherwise dealt with in this report or financial statements of the Trust which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts made in the financial statements of the Trust inadequate to any material extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Trust misleading.
- (c) At the date of this report, the Manager is not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Trust misleading or inappropriate.
- (d) At the date of this report, the Manager is not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Trust which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Trust which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Trust which has arisen since the end of the financial year.
- (f) In the opinion of the Directors of the Manager:
- (i) no contingent or other liability of the Trust has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Trust to meet its obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Trust for the financial year in which this report is made.

Report by the Directors of The Manager (Cont'd)

For the Financial Year Ended 31 March 2008

SIGNIFICANT EVENTS

Acquisition of The Summit Subang USJ

On 1 August 2007, Mayban Trustees Berhad, as trustee of AmFIRST, entered into a conditional sale and purchase agreement (with a Replaced And Substituted Agreement dated 30 November 2007) with Meda Development Sdn Bhd for the acquisition of their retained interest in a mixed commercial complex, The Summit Subang USJ, for a cash consideration of RM260 million.

The Summit Subang USJ is a mixed commercial complex, comprising a thirteen-storey office tower block sitting atop six-storey retail podium and a seventeen-storey, 332-room (4-star rated) hotel. There are three levels of basement car park with a total of 2,125 car park bays (including surface bays). Located within the Subang Jaya township and about 30 kilometers away from Kuala Lumpur City Centre, The Summit Subang USJ is accessible via both the Federal Highway and the new Pantai Expressway.

The acquisition was completed on 31 March 2008 and funded by borrowings.

Acquisition of Kelana Brem Towers

On 15 November 2006, the Trust had entered into an agreement with Brem Holding Berhad to acquire an office building, Kelana Brem Towers ("KBT") for a total consideration of RM85 million on a willing-buyer willing-seller basis valued by an independent valuer, Rahim & Co. Chartered Surveyors Sdn Bhd at RM88 million using the comparison and investment method.

The building is erected on a piece of 99-year leasehold land expiring on 19 February 2094 located in Petaling Jaya. It is a 16-storey building comprising two office towers blocks which are connected at level 1 to level 5 with 1 level of basement carpark.

The acquisition was completed on 21 June 2007 and funded by borrowings.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors of the Manager.



Dato' Azlan Hashim



Mohd Salleh Akram

Kuala Lumpur, Malaysia

Date : 5 May 2008

Statement by the Directors of The Manager



We, Dato' Azlan Hashim and Mohd Salleh Akram, being two of the Directors of the Manager, do hereby state that, in the opinion of the Directors of the Manager, the financial statements of AmFIRST Real Estate Investment Trust (the "Trust") as set out on pages 40 to 59 are drawn up in accordance with applicable Financial Reporting Standards in Malaysia, applicable provisions of the Trust Deed and the Securities Commission's Guidelines on Real Estate Investment Trusts so as to give a true and fair view of the financial position of the Trust as at 31 March 2008 and of the results and the cash flows of the Trust for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors of the Manager.

Dato' Azlan Hashim

Mohd Salleh Akram

Kuala Lumpur, Malaysia

Date : 5 May 2008

Statutory Declaration

I, Pushpa Rajadurai, being a Director of the Manager primarily responsible for the financial management of AmFIRST Real Estate Investment Trust, do solemnly and sincerely declare that the financial statements set out on pages 40 to 59 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed Pushpa Rajadurai
at Kuala Lumpur in Wilayah Persekutuan
on 5 May 2008

Pushpa Rajadurai

Before me:

Commissioner for Oaths

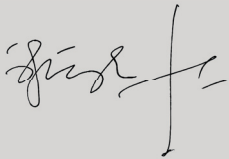
Trustee's Report

To the Unitholders of AmFIRST Real Estate Investment Trust

We have acted as Trustee of AmFIRST Real Estate Investment Trust (the "Trust") for the financial year ended 31 March 2008. To the best of our knowledge, Am ARA REIT Managers Sdn. Bhd., the Manager, has managed the Trust in accordance with the limitations imposed on the investment powers of the management company and the trustee under the Deed, other applicable provisions of the Deed, the Securities Commission's Guidelines on Real Estate Investment Trusts, the Capital Markets and Services Act 2007 and other applicable laws during the financial year ended 31 March 2008.

We are of the opinion that the recommended final income distribution of 3.676 sen per unit for the 6-month period ended 31 March 2008 is in line with and is reflective of the objectives of the Trust.

For Mayban Trustees Berhad



Tracy Hazel Siguji
Head, Unit Trust and Retail

Kuala Lumpur, Malaysia
Date : 5 May 2008

Report of the Auditors

To the Unitholders of AmFIRST Real Estate Investment Trust



We have audited the financial statements set out on pages 40 to 59. These financial statements are the responsibility of the Directors of the Manager of the Trust. Our responsibility is to express an opinion on the financial statements based on our audit.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with applicable Securities Commission's Guidelines on Real Estate Investment Trust and for no other purposes. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors of the Managers, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements have been properly drawn up in accordance with applicable Financial Reporting Standards in Malaysia, applicable provisions of the Trust Deed and the Securities Commission's Guidelines on Real Estate Investment Trusts so as to give a true and fair view of the financial position of the Trust as at 31 March 2008 and of the results and the cash flows of the Trust for the financial year then ended.

Ernst & Young
AF: 0039
Chartered Accountants

Lim Saw Keng
No. 2215/10/09(J)
Partner

Kuala Lumpur, Malaysia
Date : 5 May 2008

Balance Sheet

As at 31 March 2008

	Note	2008 RM	2007 RM
ASSETS			
INVESTMENTS			
Investment properties	3	835,990,441	486,458,966
Deposits with financial institution	4	16,136,756	15,252,715
		852,127,197	501,711,681
OTHER ASSETS			
Receivables	5	5,689,073	12,561,980
Cash and bank balances		18,898,191	1,176,307
		24,587,264	13,738,287
TOTAL ASSETS		876,714,461	515,449,968
LIABILITIES			
Payables	6	25,727,284	4,691,173
Rental deposits	7	12,738,549	10,037,691
Borrowings	8	395,605,972	65,500,000
Total liabilities		434,071,805	80,228,864
NET ASSET VALUE	9	442,642,656	435,221,104
NUMBER OF UNITS IN CIRCULATION			
		429,001,000	429,001,000
NET ASSET VALUE PER UNIT			
- before proposed final distribution		1.032	1.014
- after proposed final distribution		0.995	0.995

The accompanying notes form an integral part of these financial statements.

Income Statement

For the Financial Year Ended 31 March 2008



	Note	01.04.2007 to 31.03.2008 RM	21.12.2006 to 31.03.2007 RM
Gross revenue	10	57,853,430	13,890,622
Property expenses	11	(17,209,000)	(3,822,207)
Net rental income		40,644,430	10,068,415
Interest income		396,594	72,298
Other income		19,304	-
		41,060,328	10,140,713
Administrative expenses			
Manager's fee	12	2,998,315	732,435
Trustee's fee	13	174,998	48,399
Valuation fee		37,000	21,000
Auditors' remuneration		15,000	10,000
Tax agent's fees		12,000	5,900
Others		599,315	99,073
Interest expense		5,911,085	875,214
		9,747,713	1,792,021
Income before taxation	14	31,312,615	8,348,692
Taxation	15	-	-
Income for the financial year/period		31,312,615	8,348,692
Net income for the financial year/period is made up as follows:-			
Realised		31,312,615	8,348,692
Unrealised		-	-
		31,312,615	8,348,692
Earnings per unit (sen)	16		
- after manager's fees		7.299	1.946
- before manager's fees		7.998	2.117
Net income distribution	17		
Interim income distribution of 3.623 sen per unit paid on 30 November 2007 (2007 : nil)		15,543,692	-
Proposed final income distribution of 3.676 sen per unit payable on 30 May 2008 (2007 : Final income distribution of 1.946 sen per unit paid on 31 May 2007)		-	-
		15,768,923	-
		-	8,348,692
		31,312,615	8,348,692

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Net Asset Value

For the Financial Year Ended 31 March 2008

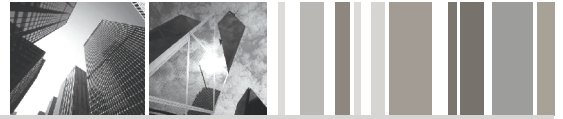
	Unitholders' Capital RM	Distributable Undistributed Income RM	Unitholders' Fund RM
As at 1 April 2007	426,872,412	8,348,692	435,221,104
Listing expenses	1,321	-	1,321
Distribution to Unitholders	-	(23,892,384)	(23,892,384)
Net income for the financial year (Note 17)	-	31,312,615	31,312,615
As at 31 March 2008	426,873,733	15,768,923	442,642,656

	Unitholders' Capital RM	Distributable Undistributed Income RM	Unitholders' Fund RM
As at 21 December 2006 (date of commencement)	1,000	-	1,000
Proceeds from initial public offering	429,000,000	-	429,000,000
Listing expenses	(2,128,588)	-	(2,128,588)
Net income for the period (Note 17)	-	8,348,692	8,348,692
As at 31 March 2007	426,872,412	8,348,692	435,221,104

The accompanying notes form an integral part of these financial statements.

Cash Flow Statement

For the Financial Year Ended 31 March 2008



	01.04.2007 to 31.03.2008 RM	21.12.2006 to 31.03.2007 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Income before taxation	31,312,615	8,348,692
Adjustments for:		
Allowance for doubtful debts	153,945	-
Interest income from placements with financial institutions	(396,594)	(72,298)
Interest expense	5,911,085	875,214
Operating profit before working capital changes	36,981,051	9,151,608
Changes in working capital		
Decrease/(Increase) in receivables	6,718,962	(12,561,980)
Increase in payables	20,808,341	4,691,173
Increase in rental deposits	2,700,858	10,037,691
Net cash generated from operating activities	67,209,212	11,318,492
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investment properties	(349,531,475)	(486,458,966)
Interest income	396,594	72,298
Net cash used in investing activities	(349,134,881)	(486,386,668)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(5,681,994)	(875,214)
Distribution paid to Unitholders	(23,892,384)	-
Proceeds from issue of units	-	429,000,000
Drawdown of borrowings	330,105,972	65,500,000
Establishment and issue expenses	-	(2,128,588)
Net cash generated from financing activities	300,531,594	491,496,198
Net increase in cash and cash equivalents	18,605,925	16,428,022
Cash and cash equivalents as at the beginning of the financial year/period	16,429,022	1,000
Cash and cash equivalents as at the end of the financial year/period	35,034,947	16,429,022
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:-		
Cash and bank balances	18,898,191	1,176,307
Deposits with financial institution	16,136,756	15,252,715
	35,034,947	16,429,022

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

As at 31 March 2008

1. GENERAL INFORMATION

The Trust was constituted pursuant to the execution of a Trust Deed dated 28 September 2006 by the Manager, Am ARA REIT Managers Sdn Bhd, and the Trustee, Mayban Trustees Berhad. The Manager, incorporated in Malaysia, is a wholly-owned subsidiary of Am ARA REIT Holdings Sdn Bhd. Am ARA REIT Holdings Sdn Bhd is 70% owned by AmInvestment Group Berhad and 30% owned by ARA Asset Management (Malaysia) Limited, a wholly-owned subsidiary of ARA AmFirst (Singapore) Pte. Ltd., which is in turn a wholly-owned subsidiary of ARA Asset Management Limited, which is an affiliate of the Cheung Kong Group based in Hong Kong.

AmFIRST was listed on the Main Board of Bursa Malaysia Securities Berhad on 21 December 2006.

The key objectives of AmFIRST is to own and invest in real estate whether directly or indirectly through the ownership of single-purpose companies whose principal assets comprise real estate and real estate-related assets.

The registered office of the Manager is located at 22nd Floor, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the Directors on 5 May 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and comply with applicable Financial Reporting Standards in Malaysia, applicable provisions of the Trust Deed and the Companies' Act 1965 and the Securities Commission's Guidelines on Real Estate Investment Trust.

The accounting policies are consistent with those adopted in the previous audited financial statements except for the adoption of the followings:-

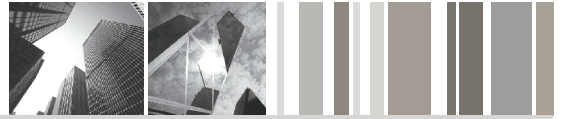
- (i) The new and revised FRSs that are applicable to the Trust with effect from the financial year beginning on or after 1 April 2007:

FRS 117 : Leases

FRS 124 : Related Party Disclosure

Notes to the Financial Statements (Cont'd)

As at 31 March 2008



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of accounting (Cont'd)

- (ii) The Trust has not early adopted the following FRSs, amendments to FRS and IC Interpretations, which are effective for financial years beginning 1 July 2007:

FRS 107 : Cash Flow Statements

FRS 111 : Construction Contracts

FRS 112 : Income Taxes

FRS 118 : Revenue

FRS 119 : Employee Benefits

FRS 120 : Accounting for Government Grants and Disclosure of Government Assistance

FRS 134 : Interim Financial Reporting

FRS 137 : Provision, Contingent Liabilities and Contingent Assets

Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates

- Net Investment in a Foreign Operations

IC Interpretation 1 : Changes in Existing, Decommissioning, Restoration and Similar Liabilities

IC Interpretation 2 : Members' Shares in Co-Operative Entities and Similar Instruments

IC Interpretation 5 : Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

IC Interpretation 6 : Liabilities arising from Participating in a Specific Market

- Waste Electrical and Electronic Equipment

IC Interpretation 7 : Applying the Restatement Approach to FRS 129

Financial Accounting in Hyperinflationary Economies

IC Interpretation 8 : Scope of FRS 2 Share-based Payments

Notes to the Financial Statements (Cont'd)

As at 31 March 2008

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of accounting (Cont'd)

In the previous financial year, the Malaysian Accounting Standards Board ("MASB") has also issued FRS 139 Financial Instruments : Recognition and Measurement for which the MASB has yet to announce the effective date. The impact of applying FRS 117, 124 and 139 on this financial statements upon first adoption of these standards as required by paragraph 30(b) of FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors are not required to be disclosed by virtue of exemptions provided under paragraph 103AB of FRS 139.

The adoption of FRS 117 and 124 does not result in significant changes in accounting policies of the Trust.

(b) Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both rather than for use in the production or supply of goods and services or for administrative purpose, or sale in the ordinary course of business.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. In compliance with the Securities Commission's Guidelines on Real Estate Investment Trusts, real property are also to be revalued at least once in every 3 years from the last valuation. All revaluations need to be approved by the Securities Commission. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

(c) Trade and other receivables

Trade and other receivables are carried at anticipated realisable values. Known bad debts are written off and specific provisions are made for any debts considered to be doubtful of collection.

(d) Cash and cash equivalents

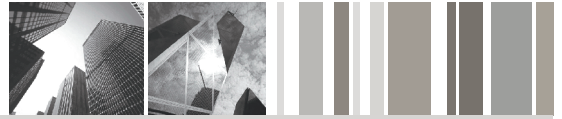
Cash and cash equivalents consist of cash at bank and deposits with licensed financial institutions.

(e) Trade and other payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

Notes to the Financial Statements (Cont'd)

As at 31 March 2008



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Provisions

A provision is recognised when it is probable that an outflow of resources embodying economic benefit will be required to settle a present obligation (legal or constructive) as a result of a past event and a reliable estimate can be made of the amount.

(g) Borrowings

Interest bearing borrowings are recorded at the amount of borrowings received.

(h) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income tax payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

(i) Impairment of assets

At each balance sheet date, the Manager reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any available previously recognised revaluation surplus for the same asset. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased.

Notes to the Financial Statements (Cont'd)

As at 31 March 2008

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of assets (Cont'd)

The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(j) Revenue

Rental income and interest income are recognised on an accrual basis.

(k) Expenses

(i) Property expenses

Property expenses consist of property management fees, quit rent, assessment and other outgoings in relation to investment properties.

(ii) Interest expense

Interest expense is recognised in the income statement in the period which they are incurred.

(iii) Listing expenses

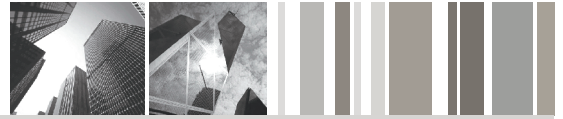
Listing expenses represent expenses incurred for the listing of AmFIRST on the Main Board of Bursa Malaysia Securities Berhad. The expenses are deducted directly against the Unitholders' capital.

(iv) Manager's and Trustee's fees

The Manager's and Trustee's fees are recognised on an accrual basis.

Notes to the Financial Statements (Cont'd)

As at 31 March 2008



3. INVESTMENT PROPERTIES

	Description of Property	Status of Land	Location	Existing Use	Acquisition Cost RM	Valuation*** RM	% of Valuation to Net Asset Value
(i)	Menara AmBank *	Freehold	Kuala Lumpur	Office	230,169,542	230,000,000	52.0
(ii)	Bangunan AmBank Group* [@]	Leasehold	Kuala Lumpur	Office	180,152,206	180,000,000	40.7
(iii)	Menara Merais**	Freehold	Petaling Jaya	Office	57,080,705	58,000,000	13.1
(iv)	AmBank Group Leadership Centre*	Freehold	Kuala Lumpur	Office	19,249,414	19,000,000	4.3
(v)	Kelana Brem Towers ^#	Leasehold	Kelana Jaya	Office	86,050,991	88,000,000	19.9
(vi)	The Summit Subang USJ****	Freehold	Subang Jaya	Mixed Commercial Complex	263,287,583	265,000,000	59.9
					835,990,441	840,000,000	

* The properties were first valued on 7 March 2006 by C H Williams Talhar & Wong Sdn. Bhd., an independent professional valuer using comparison and investment method.

** The property was first valued on 8 March 2006 by C H Williams Talhar & Wong Sdn. Bhd., an independent professional valuer using comparison and investment method.

*** The indicative valuations were obtained in connection with the acquisition of the properties by AmFIRST.

@ The leasehold land is expiring on 3 June 2084.

^ The property was valued on 20 September 2006 by Rahim & Co. Chartered Surveyors Sdn Bhd, an independent professional valuer using comparison and investment method.

The leasehold land is expiring on 19 February 2094.

**** The property was valued on 13 June 2007 by Rahim & Co. Chartered Surveyors Sdn Bhd., an independent professional valuer using comparison and investment method.

Notes to the Financial Statements (Cont'd)

As at 31 March 2008

4. DEPOSITS WITH FINANCIAL INSTITUTION

	2008 RM	2007 RM
Placements maturing within three months placed with a licensed bank	15,107,530	15,252,715
Placements maturing more than three months placed with a licensed bank	1,029,226	-
	16,136,756	15,252,715

The deposits have been placed with a financial institution related to the Manager of the Trust.

5. RECEIVABLES

	2008 RM	2007 RM
Trade receivables	4,291,188	762,571
Other receivables, deposits and prepayments	1,551,830	11,799,409
	5,843,018	12,561,980
Less : Allowance for doubtful debts	(153,945)	-
	5,689,073	12,561,980

Included in trade receivables are rental outstanding from companies related to the Manager amounting to RM901,563 (2007 : RM21,452) and are subject to normal trade terms.

The Trust's primary exposure to credit risk arises through its trade receivables. The Trust's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Trust seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Trust's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

Notes to the Financial Statements (Cont'd)

As at 31 March 2008



6. PAYABLES

	2008 RM	2007 RM
Trade payables	4,950,767	1,854,602
Other payables and accrued expenses	20,776,517	2,836,571
	25,727,284	4,691,173

Included in other payables and accrued expenses are amount owing to the Manager and Trustee of RM1,551,356 (2007 : RM732,435) and RM94,823 (2007 : RM48,399) respectively and retention sum in relation to the acquisition of The Summit Subang USJ of RM18,417,594 (2007 : nil) which are unsecured, interest free and repayable upon fulfillment of conditions stipulated in Sales and Purchase Agreement.

7. RENTAL DEPOSITS

	2008 RM	2007 RM
Payable within 12 months	7,143,138	1,523,466
Payable after 12 months	5,595,411	8,514,225
	12,738,549	10,037,691

Included in the above are rental deposits received from companies related to the Manager amounting to:

	2008 RM	2007 RM
Payable within 12 months	3,679,897	648,070
Payable after 12 months	3,982,338	6,696,934
	7,662,235	7,345,004

Notes to the Financial Statements (Cont'd)

As at 31 March 2008

8. BORROWINGS

	2008 RM	2007 RM
Secured:		
Term loans	147,000,000	57,000,000
Revolving credit facilities	248,605,972	8,500,000
	395,605,972	65,500,000

Term loan for the acquisition of Menara Merais is secured by way of lien holder caveat over Menara Merais for a tenure of 3 years with fixed interest of 5.00% per annum. Term loans for the acquisition of The Summit Subang USJ are secured by way of lien holder caveat and for a tenure of between 3 years to 4 years with interest between 4.28% to 4.35% per annum.

Revolving credit facilities are secured for the acquisition of Kelana Brem Towers and The Summit Subang USJ. The facilities bear interest ranging from 4.28% to 4.35% per annum.

9. NET ASSET VALUE

Net asset value attributable to Unitholders is represented by:

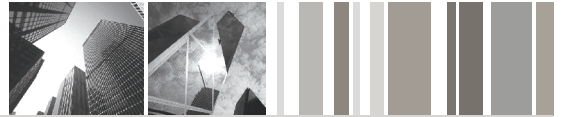
	2008 RM	2007 RM
Unitholders' capital	426,873,733	426,872,412
Undistributed income	15,768,923	8,348,692
	442,642,656	435,221,104

Unitholders' capital comprised:

	2008 RM	2007 RM
Authorised	429,001,000	429,001,000
Issued and fully paid:		
At date of establishment	1,000	1,000
Issue of new units	429,000,000	429,000,000
Listing expenses (Note 18)	(2,127,267)	(2,128,588)
	426,873,733	426,872,412

Notes to the Financial Statements (Cont'd)

As at 31 March 2008



9. NET ASSET VALUE (CONT'D)

As at 31 March 2008, the Manager did not hold any units in AmFIRST. However, the parties related to the Manager who hold units in AmFIRST are as follows:

	No. of units	% of total units
Unitholdings of companies related to the Manager		
AmEquities Sdn. Bhd.	80,000,000	18.65
Jadeline Capital Sdn. Bhd.	53,700,000	12.52
RCE Synergy Sdn. Bhd.	35,063,526	8.17
AmcorpGroup Berhad	28,029,696	6.53
AmAssurance Berhad on behalf of General Fund	19,949,700	4.65
AmBank (M) Berhad	13,716,700	3.20
AmAssurance Berhad on behalf of Life Non Par Fund	12,577,500	2.93
AmInvestment Bank Berhad	12,096,686	2.82
AmAssurance Berhad on behalf of Life Fund	8,086,400	1.88
AmAssurance Berhad on behalf of Shareholders Fund	995,600	0.23

10. GROSS REVENUE

	01.04.2007 to 31.03.2008 RM	21.12.2006 to 31.03.2007 RM
Gross rental income	55,031,749	13,163,359
Carpark income	2,752,530	659,087
Other income	69,151	68,176
	57,853,430	13,890,622

Notes to the Financial Statements (Cont'd)

As at 31 March 2008

11. PROPERTY EXPENSES

Included in property expenses are the following:

	01.04.2007 to 31.03.2008 RM	21.12.2006 to 31.03.2007 RM
Property management fee	1,738,276	389,438
Land assessment	3,987,459	1,036,761
Quit rent	94,718	20,487

The property management fee is based on a scaled fee as prescribed under the Valuers, Appraisers and Estate Agent Act 1981 with permissible discount.

12. MANAGER'S FEE

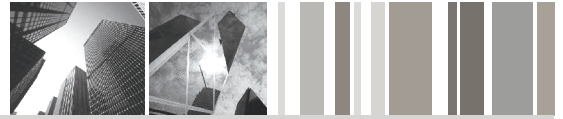
Pursuant to the Trust Deed, the Manager's fee consist of a base fee up to 0.50% per annum of the total asset value of the Trust (excluding any taxes payable) and a performance fee of 3.00% per annum of net property income (excluding any taxes payable), accruing monthly but before deduction of property management fee. The Manager's fee is for the period from 1 April 2007 to 31 March 2008.

13. TRUSTEE'S FEE

Pursuant to the Trust Deed, the Trustee is entitled to receive a fee of up to 0.10% per annum of the net asset value. The Trustee's fee is for the period from 1 April 2007 to 31 March 2008.

Notes to the Financial Statements (Cont'd)

As at 31 March 2008



14. INCOME BEFORE TAXATION

Income before taxation is arrived at after charging:

	01.04.2007 to 31.03.2008 RM	21.12.2006 to 31.03.2007 RM
Allowance for doubtful debts	153,945	-
Audit fee	15,000	10,000
Interest expenses on revolving credit facilities and term loans	5,911,085	875,214
And crediting:		
Interest income	396,594	72,298

15. TAXATION

	01.04.2007 to 31.03.2008 RM	21.12.2006 to 31.03.2007 RM
Current tax expense	-	-
Reconciliation of effective tax expense		
Income before taxation	31,312,615	8,348,692
Income tax using Malaysian tax rate of 26% (for YA 2007 : 27%)	8,141,280	2,254,147
Non-deductible expenses	60,670	18,124
Effect of income exempted from tax	(8,201,950)	(2,272,271)
Tax expense	-	-

16. EARNINGS PER UNIT

- (a) The earnings after manager's fee is computed based on net income for the year and on the number of units in issue of 429,001,000.
- (b) The earnings before manager's fee is computed based on net income for the year and on the number of units in issue of 429,001,000.

Notes to the Financial Statements (Cont'd)

As at 31 March 2008

17. NET INCOME DISTRIBUTION

In respect of the current financial year ended 31 March 2008, the Manager proposes a final income distribution of 3.676 sen per unit, totalling RM15,768,923, which is in line with the objectives of AmFIRST to deliver regular and stable distributions to Unitholders.

The financial statements of the current financial year do not reflect this proposed final income distribution. Such distribution will be accounted for in the statement of changes in net asset value in the financial year ending 31 March 2009.

	01.04.2007 to 31.03.2008 RM	21.12.2006 to 31.03.2007 RM
Distribution to Unitholders is from the following sources:-		
Net rental income	40,644,430	10,068,415
Interest income	396,594	72,298
Other income	19,304	-
Less: Administrative expenses	(9,747,713)	(1,792,021)
	<hr/> 31,312,615	<hr/> 8,348,692
Gross distribution per unit (sen)	<hr/> 7.299	<hr/> 1.946
Net distribution per unit (sen)	<hr/> 7.299	<hr/> 1.946

18. ESTABLISHMENT AND ISSUE EXPENSES

	01.04.2007 to 31.03.2008 RM	21.12.2006 to 31.03.2007 RM
Brokerages and commissions	474,438	474,438
Professional fees	378,660	378,660
Miscellaneous expenses	1,274,169	1,275,490
	<hr/> 2,127,267	<hr/> 2,128,588

These expenses have been deducted directly against the Unitholders' funds. Included in the professional fees are non-audit fees paid to the auditors amounting to RM127,000 for acting as independent reporting accountants and review of regulatory filing, with respect to the issuance and placement of additional units in AmFIRST.

Notes to the Financial Statements (Cont'd)

As at 31 March 2008



19. PORTFOLIO TURNOVER RATIO

	01.04.2007 to 31.03.2008	21.12.2006 to 31.03.2007
Portfolio Turnover Ratio ("PTR") (Times)	0.80	0.31

The calculation of PTR is based on the average of total acquisition and total disposal of investments in AmFIRST for the year calculated on a weekly basis.

20. MANAGEMENT EXPENSE RATIO

	01.04.2007 to 31.03.2008	21.12.2006 to 31.03.2007
Management Expense Ratio ("MER") (%)	0.88	0.77

The calculation of MER is based on total fees of AmFIRST incurred, including the Manager's fees, Trustee's fees, audit fees, tax agent's fees and administrative expenses, to the average net asset value during the year. Since the average net asset value is calculated on a weekly basis, comparison of MER of AmFIRST with other real estate investment trusts which use a different basis of calculation may not be an accurate comparison.

21. CAPITAL COMMITMENT

There were no capital commitments as at the end of the financial year.

22. TRANSACTIONS WITH COMPANIES RELATED TO THE MANAGER

	01.04.2007 to 31.03.2008 RM	21.12.2006 to 31.03.2007 RM
Rental earned from AMMB Holdings Berhad and its subsidiaries and associates ("AmBank Group")	34,741,963	9,725,582
Interest earned from AmBank Berhad	396,594	72,298
Insurance premium paid and payables to AmAssurance Berhad	-	137,813

The above transactions have been entered into in the normal course of business and have been established under terms and conditions that are no less favourable than those arranged with independent third parties.

Notes to the Financial Statements (Cont'd)

As at 31 March 2008

22. TRANSACTIONS WITH COMPANIES RELATED TO THE MANAGER (CONT'D)

Also included in the financial statements are the following balances with companies related to the Manager:

	2008	2007
	RM	RM
Cash and bank balances, and deposits placed with AmBank (M) Berhad	33,189,825	16,429,022
Rentals deposits received from the AmBank Group	7,662,235	7,345,004
1% acquisition fees for The Summit Subang USJ payable to the Manager	2,600,000	-

23. FINANCIAL INSTRUMENTS

AmFIRST operates within clearly defined guidelines as set out in the Securities Commission's Guidelines for Real Estate Investment Trusts ("the Guidelines"). These Guidelines have been formulated with the objective of providing a regulatory framework that would protect the interests of the investing public. AmFIRST's risk management policies, which ensure compliance with the spirit of the Guidelines, are set out below. It is not the Trust's policy to engage in speculative transactions.

(a) Interest rate risk

AmFIRST's exposure to changes in interest rates relate primarily to interest-earning financial assets and interest bearing financial liabilities. Interest rate risk is managed by the Manager on an ongoing basis with the primary objective of limiting the extent to which interest expense could be affected by adverse movements in interest rate.

(b) Credit risk

At balance sheet date, there were no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of financial asset.

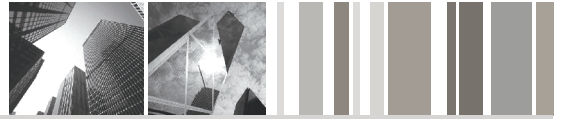
The Trust does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

(c) Liquidity risk

The Trust manages its liquidity risk by maintaining a portion of its resources in deposits and balances with financial institutions to meet estimated commitments arising from financial liabilities.

Notes to the Financial Statements (Cont'd)

As at 31 March 2008



23. FINANCIAL INSTRUMENTS (CONT'D)

(d) Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest bearing liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they mature.

	Effective interest rate %	Total RM	Within 1 year RM	> 1 - 5 years RM
Financial assets				
Deposits with licensed bank	3.20 - 3.60	16,136,756	16,136,756	-
Financial liabilities				
Term loans	4.28 - 5.00	147,000,000	-	147,000,000
Revolving credit facilities	4.28 - 4.35	248,605,972	248,605,972	-

In respect of cash and cash equivalents, receivables and payables, the carrying amounts approximate fair value due to relatively short term nature of these financial instruments.

24. SIGNIFICANT EVENTS

Acquisition of The Summit Subang USJ

On 1 August 2007, Mayban Trustees Berhad, as trustee of AmFIRST entered into a conditional sale and purchase agreement with Meda Development Sdn Bhd for the acquisition of their retained interest in a mixed commercial complex, The Summit Subang USJ, for a cash consideration of RM260 million.

The Summit Subang USJ is a mixed commercial complex, comprising a thirteen-storey office tower block and a seventeen-storey, 332-room (4-star rated) hotel, both sitting atop a six-storey retail podium. There are three levels of basement car park with a total of 2,125 car park lots (including surface bays). Located within the Subang Jaya township and about 30 kilometers away from Kuala Lumpur City Centre, The Summit Subang USJ is accessible by both the Federal Highway and the new Pantai Expressway.

The acquisition was completed on 31 March 2008 and funded by borrowings.

Acquisition of Kelana Brem Towers

On 15 November 2006, the Trust had entered into an agreement with Brem Holding Berhad to acquire an office building, Kelana Brem Towers ("KBT") for a total consideration of RM85 million on a willing-buyer willing-seller basis valued by an independent valuer, Rahim & Co. Chartered Surveyors Sdn Bhd at RM88 million using the comparison and investment method.

The building is erected on a piece of 99-year leasehold land expiring on 19 February 2094 located in Petaling Jaya. It is a 16-storey building comprising two office towers blocks which are connected at level 1 to level 5 with 1 level of basement carpark.

The acquisition was completed on 21 June 2007 and funded by borrowings.

Analysis of Unitholders

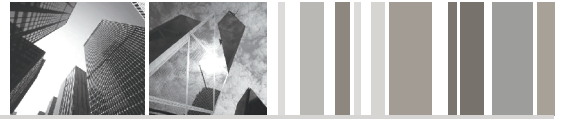
As at 31 March 2008

THIRTY (30) LARGEST UNITHOLDERS AS AT 31 MARCH 2008

Nos.	Names	Unitholdings	%
1.	AMSEC NOMINEES (TEMPATAN) SDN BHD AMEQUITIES SDN BHD	80,000,000	18.65
2.	AMMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JADELINE CAPITAL SDN BHD (BK JCSB)	53,700,000	12.52
3.	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR RCE SYNERGY SDN BHD (KLM)	35,063,526	8.17
4.	AMCORPGROUP BERHAD	28,029,696	6.53
5.	AMSEC NOMINEES (ASING) SDN BHD AMASSURANCE BERHAD (FM-AMAB-GF)	19,949,700	4.65
6.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR AMERICAN INTERNATIONAL ASSURANCE COMPANY LIMITED	19,415,760	4.53
7.	AM NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD	13,716,700	3.20
8.	AMSEC NOMINEES (TEMPATAN) SDN BHD AMASSURANCE BERHAD (FM-AMAB-LNP)	12,577,500	2.93
9.	AM NOMINEES (TEMPATAN) SDN BHD AMINVESTMENT BANK BERHAD	12,096,686	2.82
10.	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG BERSAMA	10,225,880	2.38
11.	AMSEC NOMINEES (TEMPATAN) SDN BHD AMASSURANCE BERHAD (FM-AMAB-LF)	8,086,400	1.88
12.	VALUECAP SDN BHD	7,398,196	1.72
13.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HBFS-I CLT ACCT)	5,829,000	1.36
14.	CIMB NOMINEES (TEMPATAN) SDN BHD CIMB INVESTMENT BANK BERHAD (ETP)	4,968,920	1.16

Analysis of Unitholders (Cont'd)

As at 31 March 2008



THIRTY (30) LARGEST UNITHOLDERS AS AT 31 MARCH 2008 (CONT'D)

Nos.	Names	Unitholdings	%
15.	MAYBAN NOMINEES (TEMPATAN) SDN BHD MAYBAN TRUSTEES BERHAD FOR MAAKL VALUE FUND (950290)	1,880,000	0.44
16.	TEOH GUAN KOK & CO. SDN BHD	1,799,300	0.42
17.	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD PUBLIC FAR-EAST PROPERTY & RESORTS FUND	1,750,000	0.41
18.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR SUSY DING (471873)	1,545,800	0.36
19.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PRUDENTIAL FUND MANAGEMENT BERHAD	1,388,800	0.32
20.	LIM KEW SENG	1,335,800	0.31
21.	LIM SING SIEW	1,313,000	0.31
22.	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	1,223,100	0.29
23.	DETIK JALUR SDN BHD	1,200,000	0.28
24.	GOH BENG BENG	1,133,000	0.26
25.	TAN LIM HUA @ TAN HOE TIM	1,122,000	0.26
26.	CARTABAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR ALLIANZ LIFE ASSURANCE MALAYSIA BERHAD	1,061,900	0.25
27.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MAAKL DMDEND FUND (5311-401)	1,050,000	0.24
28.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MAAKL PROGRESS FUND (4082)	1,015,000	0.24
29.	YAP AH NGAH @ YAP NEO NYA	1,000,000	0.23
30.	AMSEC NOMINEES (TEMPATAN) SDN BHD AMASSURANCE BERHAD (FM-AMAB-SH)	995,600	0.23
	TOTAL	331,871,264	77.35

Analysis of Unitholders (Cont'd)

As at 31 March 2008

LIST OF SUBSTANTIAL UNITHOLDERS (5% AND ABOVE)

Nos.	Names	Unitholdings	%
1.	AMSEC NOMINEES (TEMPATAN) SDN BHD AMEQUITIES SDN BHD	80,000,000	18.65
2.	AMMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JADELIN CAPITAL SDN BHD (BK JCSB)	53,700,000	12.52
3.	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR RCE SYNERGY SDN BHD (KLM)	35,063,526	8.17
4.	AMCORPGROUP BERHAD	28,029,696	6.53
	TOTAL	196,793,222	45.87

DISTRIBUTION SCHEDULE OF UNITS

As at 31 March 2008

Size of Unitholdings	No. of Unitholders	No. of Units	%
Less than 100	489	104,206	0.02
100 to 1,000	6,744	4,457,294	1.04
1001 to 10,000	4,285	16,670,387	3.89
10,001 to 100,000	1,046	33,666,832	7.85
100,001 to less than 5% of issued units	196	177,309,059	41.33
5% and above of issued units	4	196,793,222	45.87
Total	12,764	429,001,000	100.00

