



AmFIRST REAL ESTATE INVESTMENT TRUST

CONDENSED FINANCIAL STATEMENTS

FIRST QUARTER ENDED 30 JUNE 2012

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AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For The First Quarter Ended 30 June 2012

	Current Year Quarter 30.06.2012 RM'000	Preceding Year Corresponding Quarter 30.06.2011 RM'000	Current Year To Date 30.06.2012 RM'000	Preceding Year To Date 30.06.2011 RM'000
Gross revenue	26,610	22,748	26,610	22,748
Property expenses	(8,974)	(7,438)	(8,974)	(7,438)
Net property income	17,636	15,310	17,636	15,310
Interest and other income	49	49	49	49
	17,685	15,359	17,685	15,359
Administrative expenses				
Manager's fee	(1,445)	(1,244)	(1,445)	(1,244)
Trustee's fee	(61)	(60)	(61)	(60)
Valuation fee	(71)	(45)	(71)	(45)
Auditors' remuneration	(5)	(4)	(5)	(4)
Tax agent fee	(3)	(3)	(3)	(3)
Others expenses	(287)	(144)	(287)	(144)
Interest expense	(5,934)	(4,256)	(5,934)	(4,256)
	(7,806)	(5,756)	(7,806)	(5,756)
Net Trust Income	9,879	9,603	9,879	9,603
Loss arising from measuring non-current financial liabilities measured at amortized cost	(62)	(165)	(62)	(165)
Net income before taxation	9,817	9,438	9,817	9,438
Taxation	-	-	-	-
Income for the period	9,817	9,438	9,817	9,438
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	9,817	9,438	9,817	9,438
Total comprehensive income for the period is made up as follows:-				
- Realized	9,879	9,603	9,879	9,603
- Unrealized	(62)	(165)	(62)	(165)
	9,817	9,438	9,817	9,438
Earnings per unit (sen)				
- Basic	2.29	2.20	2.29	2.20
- Diluted	N/A	N/A	N/A	N/A

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes.

AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

As At 30 June 2012

	As At 30.06.2012 (Unaudited) RM'000	As At 31.03.2012 (Audited) RM'000
ASSETS		
Non-Current Assets		
Investment properties	1,182,098	1,179,844
Current Assets		
Receivables, prepayments and deposits	8,451	8,428
Fixed deposits with licensed bank	2,453	9,235
Cash and bank balances	311	1,035
	11,215	18,698
TOTAL ASSETS	1,193,313	1,198,542
LIABILITIES		
Non-Current Liabilities		
Rental deposits	10,429	9,492
Borrowings	303,000	163,000
	313,429	172,492
Current Liabilities		
Payables	4,115	5,357
Rental deposits	14,708	15,928
Borrowings	254,200	387,000
	273,023	408,285
TOTAL LIABILITIES	586,452	580,777
NET ASSET VALUE	606,861	617,765
FINANCED BY:		
UNITHOLDERS' FUND		
Unitholders' capital	426,873	426,873
Undistributed income	179,988	190,892
	606,861	617,765
Number of units in circulation ('000)	429,001	429,001
Net Asset Value ("NAV") per unit (RM)		
- before income distribution	1.4146	1.4400
- after income distribution	1.3917	1.3917

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes.

AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE For The First Quarter Ended 30 June 2012

	Unitholders' Capital RM'000	Distributable Undistributed Income RM'000	Non Distributable Income RM'000	Unitholders' Fund RM'000
<u>Current Year To Date</u>				
As At 1 April 2012	426,873	20,792	170,100	617,765
Total comprehensive income for the period	-	9,879	(62)	9,817
<i><u>Unitholders' transactions</u></i>				
Distribution to Unitholders	-	(20,721)	-	(20,721)
As At 30 June 2012	<u>426,873</u>	<u>9,950</u>	<u>170,038</u>	<u>606,861</u>
<u>Preceding Year To Date</u>				
As At 1 April 2011	426,873	21,211	157,901	605,985
Total comprehensive income for the period	-	9,603	(165)	9,438
<i><u>Unitholders' transactions</u></i>				
Distribution to Unitholders	-	(21,193)	-	(21,193)
As At 30 June 2011	<u>426,873</u>	<u>9,621</u>	<u>157,736</u>	<u>594,230</u>

The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes.

AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS For The First Quarter Ended 30 June 2012

	Current Year To Date 30.06.2012 RM'000	Preceding Year To Date 30.06.2011 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Net income before taxation	9,817	9,438
<i>Adjustment for :-</i>		
Interest income from placements with license bank	(104)	(48)
Reversal of impairment loss on trade receivables	90	45
Interest expenses	5,934	4,256
Loss arising from measuring non-current financial liabilities measured at amortized cost	62	165
Operating income before working capital changes	15,799	13,856
Changes in working capital		
Increase in receivables	(113)	(13,868)
Decrease in payables	(831)	(2,567)
(Decrease)/Increase in rental deposits	(345)	697
Net cash generated from/(used in) operating activities	14,510	(1,882)
CASH FLOW FROM INVESTING ACTIVITIES		
Upgrade / enhancement in investment properties	(2,254)	(1,472)
Interest income	104	48
Net cash used in investing activities	(2,150)	(1,424)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(6,345)	(4,090)
Distributions to Unitholders	(20,721)	(21,193)
Drawdown of borrowings	7,200	16,248
Net cash used in financing activities	(19,866)	(9,035)
Net change in cash and cash equivalents	(7,506)	(12,341)
Cash and cash equivalents at the beginning of period	10,270	13,823
Cash and cash equivalents at the end of period	2,764	1,482

A CASH AND CASH EQUIVALENTS COMPRISE :-

Fixed deposit with licensed bank	2,453	1,130
Cash and bank balances	311	352
	2,764	1,482

The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The First Quarter Ended 30 June 2012

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

A1. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Interim Financial Reporting Malaysian Financial Reporting Standards ("MFRS") 134, Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), provisions of the Deed dated 28 September 2006 and applicable Securities Commission's ("SC") Guidelines on Real Estate Investment Trusts.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those adopted in the preparation of audited financial statements of AmFIRST Real Estate Investment Trust ("AmFIRST REIT" or the "Trust") for the financial year ended 31 March 2012.

Changes in accounting policies

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture ("MFRS 141") and IC Interpretation 15 Agreements for Construction of Real Estate ("IC 15"), including its parent, significant investor and venturer.

The Trust had adopted the MFRS framework for accounting period beginning 1 April 2012. The adoption of the MFRS has no significant impact on the financial statements.

A2. DECLARATION OF AUDIT QUALIFICATION

There was no audit qualification on the financial statements for the year ended 31 March 2012.

A3. SEASONALITY AND CYCLICALITY OF OPERATIONS

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

A4. UNUSUAL ITEMS

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

A5. CHANGES IN ESTIMATES

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

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For The First Quarter Ended 30 June 2012

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

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

257,400,600 new units in AmFIRST REIT (“Units”) was issued at an issue price of RM0.83 each pursuant to a renounceable rights issue on the basis of three (3) new Units in AmFIRST REIT (“Rights Units”) for every five (5) existing Units (“Rights Issue”) and was listed on the Main Market of Bursa Securities on 7 August 2012.

A7. SEGMENT INFORMATION

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

A8. INCOME DISTRIBUTION PAID

During the quarter under review, the Trust had on 31 May 2012, paid a final income distribution of 4.83 sen per unit, amounting to RM20,720,748 for the six-month period from 1 October 2011 to 31 March 2012.

A9. VALUATION OF INVESTMENT PROPERTIES

The valuations of investment properties have been brought forward without any amendment from the previous audited financial statements for the year ended 31 March 2012.

A10. MATERIAL SUBSEQUENT EVENTS

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

A11. CHANGES IN THE COMPOSITION OF THE TRUST

There were no changes in the composition of the Trust during the quarter under review, and the fund size stands at 429,001,000 units as at 30 June 2012.

AmFIRST REIT’s fund size increased from 429,001,000 Units to 686,401,600 Units following the issuance and listing of 257,400,600 new Units pursuant to the Rights Issue.

A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The First Quarter Ended 30 June 2012

A13. REALIZED AND UNREALIZED INCOME DISCLOSURE

The breakdown of undistributed income into realized and unrealized as at 30 June 2012 are summarized as below:-

	As At 30.06.2012 RM'000	As At 31.03.2012 RM'000
<i>Realized</i>		
Distributable undistributed income	9,889	20,793
<i>Unrealized</i>		
Cumulative net change arising from the fair value of investment properties	169,165	169,165
Gain arising from measuring non-current financial liabilities at amortized cost	934	934
	170,099	170,099
	<u>179,988</u>	<u>190,892</u>

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The First Quarter Ended 30 June 2012

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

B1. REVIEW OF PERFORMANCE

For the current period ended 30 June 2012, the Trust recorded gross revenue and net property income of RM26.61 million and RM17.64 million respectively, representing an increase of 17.0% and 15.2% respectively as compared to preceding corresponding period.

The realized net income was RM9.8 million and this represents an increase of 4.0% as compared with the preceding year correspondence period of RM9.4 million.

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

B2. CHANGES IN THE STATE OF AFFAIRS

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

B3. CHANGES IN PORTFOLIO COMPOSITION

There were no material changes in the portfolio composition of AmFIRST REIT for the quarter under review. As at 30 June 2012, the Trust's composition of investment portfolio is as follow:-

Real Estate	Type	Cost of Investment* RM'000	Market Value RM'000	Market Value As % of NAV
Bangunan AmBank Group **	Commercial Office	186,088	237,500	39.1%
AmBank Group Leadership Centre**	Commercial Office	19,586	20,700	3.4%
Menara AmFIRST **	Commercial Office	63,862	67,800	11.2%
Menara AmBank **	Commercial Office	232,079	306,000	50.4%
Wisma AmFIRST **	Commercial Office	89,479	111,000	18.3%
The Summit Subang USJ **	Mixed Commercial	287,195	302,200	49.8%
Prima 9 #	Commercial Office	72,898	72,898	12.0%
Prima 10 #	Commercial Office	61,746	61,746	10.2%
		<u>1,012,933</u>	<u>1,179,844</u>	

* Cost of investment comprised purchase consideration paid and capital expenditure incurred since acquisition.

** Based on latest valuation as at March 2012

Based on latest valuation as at 12 April 2011

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The First Quarter Ended 30 June 2012

B4. CHANGES IN NET ASSET VALUE AND UNIT PRICE

	As at 30.06.2012 RM'000	As at 31.03.2012 RM'000
Net Asset Value ("NAV")	606,861	617,765
NAV Per Unit (RM)		
- Before income distribution	1.4146	1.4400
- After income distribution	1.3917	1.3917
Closing Unit Price Per Unit (RM)	1.12	1.19

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

B5. REVIEW OF COMMERCIAL PROPERTY MARKET

The overall office occupancies and rentals remain stable despite a spike in new supply from several completed new office buildings. The anticipated substantial new supply coming on-stream is expected to put pressure on occupancy and rental rates.

The retail sector remains upbeat with established shopping complexes continuing to draw tenants and shoppers. Going forward, the retail market remains favourable driven by resilient local consumer sentiment, stable employment outlook and easing inflation.

B6. PROSPECTS

The net proceeds of approximately RM219.6 million which was raised from the Rights Issue had been utilised to pare down the Trust's existing bank borrowings and lower down the gearing level to 29%. This provides the Trust with sufficient headroom to gear up in the future for any potential yield accretive and strategic acquisitions.

Moving forward, the Manager will continue to focus on expanding its portfolio by acquiring more yield accretive properties and quality commercial properties in high growth area in Malaysia and to drive asset enhancement initiatives to enhance organic growth in AmFIRST REIT.

Barring any unforeseen circumstances, the Manager expects the Trust to continue deliver sustainable performance for the financial year ending 31 March 2013.

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

Pursuant to the Rights Issue, the Trust has raised total net proceeds of approximately RM209.6 million (after netting of the issuance expenses of approximately RM4.0 million) which will be utilised to pare down the Trust's existing bank borrowing which were incurred to finance past acquisitions that had been completed more than one year.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The First Quarter Ended 30 June 2012

B8. CIRCUMSTANCES AFFECTING INTEREST OF UNITHOLDERS

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

B9. CHANGES IN MATERIAL LITIGATION

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

B10. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but not completed at the latest practicable date of this report except for the announcement made on 17 August 2012 for the proposed acquisition by AmFIRST REIT of all that piece of land held under HSD 68894, Lot No. PT 45, Kawasan Bandar XVIII, District of Melaka Tengah, State of Melaka together with an eighteen (18) storey purpose-built office erected thereon, consisting of two (2) office towers (9-storey and 10-storey) sitting atop a 7-level podium block with a mezzanine identified as Kompleks Tun Sri Lanang (also known as Jaya 99) for a cash consideration of RM86,000,000 from Johan Kembara Sdn Bhd.

The proposed acquisition is pending the fulfillment of condition precedents as stipulated in the Sale and Purchase Agreement dated 16 August 2012.

Rights Issue and Increase in Fund Size

The Rights Issue and Increase in Fund Size have been completed following the listing of and quotation for 257,400,600 Rights Units on the Main Market of Bursa Securities on 7 August 2012.

B11. MAJOR MAINTENANCE COSTS AND CAPITAL EXPENDITURE

For the quarter ended 30 June 2012, a total of approximately RM2.25 million has been incurred for upgrading and enhancement of the investment properties where the bulk amount was spent on the refurbishment and upgrading of all common washrooms in Wisma AmFIRST.

B12. SOFT COMMISSION

During the quarter ended 30 June 2012, the Manager did not receive any soft commission from its broker or dealer by virtue of transaction conducted by the Trust.

B13. REVENUE RECOGNITION

Rental and interest income are recognized on an accrual basis.

B14. MANAGER'S FEE

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

For the quarter ended 30 June 2012, the Manager's fee consists of a base fee of 0.30% per annum and performance fee of 3.0% per annum.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The First Quarter Ended 30 June 2012

B15. TRUSTEE'S FEE

Pursuant to the Deed constituting AmFIRST REIT, the Trustee is entitled to receive a fee up to 0.10% per annum of the net asset value of the Trust. The Trustee's fee for the quarter ended 30 June 2012 is calculated based on 0.04% per annum of the net asset value.

B16. UNITS HELD BY RELATED PARTIES

As at 30 June 2012, the Manager did not hold any units in AmFIRST REIT. However, the parties related to the Manager who holds units in AmFIRST REIT are as follows:

	Number of Units 000	Market Value RM'000
(a) Unitholdings of companies related to the Manager		
AmEquities Sdn Bhd	80,000	89,600
Amcorp Group Berhad	26,112	29,245
AmBank (M) Berhad	25,344	28,385
Jadeline Capital Sdn Bhd	23,105	25,878
AmInvestment Bank Berhad	9,336	10,456
AmLife Insurance Berhad on behalf of Life Non Par	4,500	5,040
AMG Insurance Berhad on behalf of General Fund	3,000	3,360
AmLife Insurance Berhad on behalf of Life Fund	2,500	2,800
(b) Direct unitholdings of Directors of the Manager		
Cheah Tek Kuang *	5	6
(c) Indirect unitholdings of Directors of the Manager		
Lim Hwee Chiang #	23,105	25,878
(d) Chief Executive Officer of the Manager		
Lim Yoon Peng **	60	67

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

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

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

The market value is determined by multiplying the number of units with the closing unit price of RM1.12 per unit as at 29 June 2012.

B17. TAXATION

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

There will be no tax payable as the Trust intends to distribute at least 90% of the distributable income to unitholders for the financial year ending 31 March 2013.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The First Quarter Ended 30 June 2012

B17. TAXATION (CONT'D)

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

	Current Period 30.06.2012 RM'000	Preceding Corresponding Period 30.06.2011 RM'000
Current tax expense	-	-
Reconciliation of effective tax expense		
Net Income before taxation	9,817	9,438
Income tax using Malaysian tax rate of 25% (2011: 25%)	2,454	2,359
Effects of non-deductible expenses	17	18
Effect of measuring non-current financial liabilities at amortized cost	(15)	(41)
Effects of income exempted from tax	(2,456)	(2,336)
Tax expense	-	-

B18. INCOME DISTRIBUTION

During the quarter under review, the Trust had on 31 May 2012, paid a final income distribution of 4.83 sen per unit for the six-month financial period from 1 October 2011 to 31 March 2012, totaling RM20,720,748, which is in line with objectives of AmFIRST REIT to deliver regular and stable distribution to Unitholders.

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

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

B19. STATEMENT BY THE DIRECTORS OF THE MANAGER

In the opinion of the Directors of the Manager, this quarterly report has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of AmFIRST REIT as at 30 June 2012 and of its financial performance and cash flows for the period ended on that date and duly authorized for released by the Board of the Manager on 17 August 2012.