

**10TH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ENTIRELY THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT 12<sup>TH</sup> FLOOR MENARA SYMPHONY, NO 5, JALAN PROF. KHOO KAY KIM, SEKSYEN 13, 46200, PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA (THE “BROADCAST VENUE”) ON THURSDAY, 21 JULY 2022 AT 10.00 A.M.**

**[APPENDIX 1: Listing of Moderated Questions and Responses]**

**Part A: Pre-Submitted AGM Questions**

No.	Questions	Originator	Category	Response from Chairman and/or Management
1	<p>I. Will the company be providing door gifts to unitholders participating in the virtual AGM?</p> <p>II. Kindly allow voting at the start of the AGM.</p>	Stephen Lye Tuck Meng	<p>Stakeholder Engagement</p> <p>Administrative</p>	<p>As stated in the Administrative Guide which is part of the Annual Report FY2022 circulated to Unitholders on 31 May 2022 and also made available in AmFIRST REIT’s corporate website since 31 May 2022, there will be no gifts or vouchers to be distributed to Unitholders and Proxies who participate at the 10th AGM.</p> <p>The platform for voting on the resolution is open from 10:00 a.m. on 21 July 2022.</p>
2	I. Will new ESG policies imposed on companies by regulators help the overall business operations and attract potential investors?	Kow Li Shi	Sustainability	<p>Currently, there are no ESG policies imposed by regulators to PLCs. However, Bursa has recommended ESG best practices via a series of Guidebooks to guide PLCs on their ESG journey.</p> <p>Malaysia is one of the countries that is committed to UNSDG’s 2030 sustainable development agenda</p>



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				<p>but this commitment is a non-binding commitment.</p> <p>On our part, we have established our Sustainability Policy in February 2019. In FY2022, we established our 3-Year Sustainability Roadmap.</p> <p>Having a good and clear ESG propositions can definitely create value and therefore, safeguard our long-term success as it will help us to:</p> <ul style="list-style-type: none"> <li>• tap into new sectors/markets;</li> <li>• make the right investment decisions with minimum ESG risks hence, optimize returns on investment and capital expenditure;</li> <li>• increase staffs' productivity; and</li> <li>• reduce operational costs, amongst others.</li> </ul>
	II. Is AmFIRST REIT set to post higher profits following Bank Negara Malaysia's decision to raise its overnight policy rate (OPR)?		Financial	<p>Hike in OPR will increase the interest cost of the bank borrowings which will consequently reduce the net income of AmFIRST REIT. As at 31 March 2022, the Trust has bank borrowings of RM815.2 million that currently are all subject to floating rate. Based on the interest cost sensitivity analysis, for every 25 basis point increase in interest rate will cause a corresponding decrease of RM2.0 million of the Trust's net income.</p>
	III. What is the latest portfolio occupancy rate?		Business Operations	<p>Overall average occupancy has improved slightly to 81.4% as at 30 June 2022 compared to 78.9% as at 31 March 2022.</p>



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	IV. Would the Board and Management consider a higher dividend payout this year?		Financial	Dividend payout will depend on the realised net income generated that is available for income distribution. During FY2022, AmFIRST REIT has paid/declared total income distribution of 3.02 sen or RM20.7 million, which represented 93% of the realised net income of RM22.1 million generated in FY2022.
3	Please kindly share the business plan to increase revenue.	Kow Lih Shi	Strategy	We have implemented various marketing strategies to improve the occupancy and increase the revenue of the asset portfolio. These include strengthening collaboration with AmBank Group to reach out to more prospective tenants and offer attractive and innovative tenancy packages to attract new tenants.
4	I. Why should the REIT Manager collect a divestment fee of 0.5% when there is a net loss from the disposal of Menara AmFIRST amounting to RM4,931,950?  II. Can there be a resolution to vote on the said matter?	Loke Yoon Hoe	Business Operations	As provided by the Third Restated Trust Deed (clause 19.1(a)(iv)), the REIT Manager can charge a divestment fee of 0.5% on sale price for disposal of any property. Hence, there is no requirement to seek Unitholders' approval on the matter.  However, considering the capital loss arising from the proposed disposal, the Manager will waive the divestment fee on the proposed disposal of Menara AmFIRST.



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No.	Questions	Originator	Category	Response from Chairman and/or Management
5	<p>I. Any positive outlook on Summit USJ or what contribution could investors expect from this asset?</p> <p>II. Is there any potential buyer or plan to dispose of The Summit USJ as it is carrying a negative impact in AmFIRST REIT's portfolio when referring to the loan borrowing amount versus the income generated. It has been performing poorly even before the pandemic.</p>	Ser Boon Teck	Business Operations/ Strategy	<p>We have been intensifying leasing efforts with collaboration with AmBank to bring in tenants. In addition, with the upcoming opening of a theme park, it will further attract a crowd to the mall. The creation of 112,000 sq. ft. of new tenants is the result of the collaboration effort.</p> <p>We have been exploring various divestment initiatives for The Summit. However, interest from prospective buyers has been dampened by the recent pandemic. We will continue to pursue it especially with the collaborative effort with AmBank.</p>
6	<p>Dear Chairman / BOD, Kindly do not use the Boardroom for future Virtual Meetings.</p> <p>I. Boardroom's meeting system is not integrated, and the service needs improvement.</p> <p>II. Unitholders must retrieve AGM login details from their email; and</p> <p>III. are not allowed to vote at the start of the AGM.</p> <p>Many unitholders have also voiced similar complaints in other AGMs.</p>	Stephen Lye Tuck Meng	Administrative	<p>The management has taken note of your comments and we have received Boardroom's acknowledgement to address this matter.</p>

**Part B: Live Unitholders Questions**

No.	Questions	Originator	Category	Response from Chairman and/or management
1	Are the Board members accorded with meeting allowance for attending this general meeting?	STEPHEN LYE TUCK MENG	Administrative	There is no meeting allowance accorded to directors for attending this general meeting.
2	Any expected impact (in terms of profitability) in 2022 in light of recent implementation of minimum wages?	LAU YONG EN/ KOW LIH SHI	Financial	Yes. We are looking into ways on how to address the impact of the increase in minimum wages on the cost of building management, security, and cleaning services etc.
3	How much did the AmFIRST REIT spend on this virtual AGM?	TEH SUE WEI	Administrative	The cost for this year fully virtual AGM is RM48,000, compared to the cost to hold a physical AGM which was around RM140,000, a reduction by 66%.
4	Do AmBank Group and its subsidiaries share manpower during ad hoc events and activities?	KOW LIH SHI	Human Resource  Leasing Dept & Operations Dept	<p>The Manager being part of the enlarged AmBank Group has always been supported as and when necessary, in terms of manpower as well as business infrastructure.</p> <p>Yes, we do get assistance from Group Corp Communications, Group Company Secretary, Group Internal Audit, Group IT etc. (These are shared costs which are charged to the REIT Manager and not the REIT.)</p>



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No.	Questions	Originator	Category	Response from Chairman and/or management
5	AmFIRST REIT has a good NAV per unit of RM1.1633, and a DPU of 3.02sen. As a small and ordinary investor, I believe that this should attract more investors. However, the unit price has plateaued around RM 0.39 for some time. Is this in line with the fund's investment profile?	CHEW HIAP HONG	Finance/ Strategy	There are various factors affecting the unit price such as perception on office and retail market, dividend, gearing level, liquidity amongst others, where the Manager is looking at addressing the financial performance as well the optimum gearing level. Parts of the strategies are to rationalise the assets portfolio and manage cost of borrowings.
6	AmFIRST REIT recently disposed Menara AmFIRST for RM62 million and with a net loss of RM4.93 million:  (i) Is the company planning to dispose of more underperforming assets?  (ii) What is the long-term plan for AmFIRST REIT?	CHUA SONG YUN  CHUA SONG YUN/ LAU CHUAN HOOI/ KOW LIH SHI	Business Operations/ Strategy  Business Operations/ Strategy	(i) AmFIRST REIT intends to hold its properties on a long-term basis. At any opportune time when there are offers to acquire any of the properties which has reached a stage where it offers limited scope for growth to the Trust, the Manager may consider selling the property and utilise the proceeds for alternative investments that will add value to its portfolio or to optimise the gearing level.  (iii) We remain committed to delivering values to our unitholders and will adopt appropriate businesses strategies to sustain our financial performance by exploring acquisition of yield accretive assets such as logistics and warehousing to ride on the current e-commerce and supply chains demand.



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No.	Questions	Originator	Category	Response from Chairman and/or management
7	In the last quarterly report ending 31/3/2022, I noted that AmFIRST REIT has not done anything about managing and hedging interest risk. Why is this not undertaken?	LOKE YOON HOE	Business Operations	<p>We have actually been monitoring the interest rate market on a regular basis to look for the right time/opportunity to hedge. As at 31 March 2022, AmFIRST REIT enjoyed lower interest cost of 3.18% which has enabled the REIT to reduce its interest expense by 8% year on year.</p> <p>Recently, we saw the interest rate market was more stabilised and have hedged RM50.0 million via buying into 5-year interest rate swap.</p>
8	Over the past many years, management has been trying to turn around AmFIRST REIT with different plans and injecting more capex; however, there is little success from these efforts, which made AmFIRST REIT one of the worst performing REITs. Please explain what management can do differently going forward to achieve different results?	CHUA SONG YUN	Business Operations/ Strategy	<p>We have been containing CAPEX due to it high gearing of the Trust where in FY2022, only RM2.2 million is spent and these are only related to the ongoing CAPEX.</p> <p>Some of the past capex enable the REIT to get some benefits such as reduction in electricity consumption etc.</p>

**NOTE TO CHAIRMAN/ BOARD - THERE ARE NO MORE NEW QUESTIONS IN THE QUEUE**



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**Part C: Questions received after the Pre-AGM cutoff**

No.	Questions	Originator	Category	Response from Chairman and/or Management																								
● 9	Is the net rental income disclosed by properties in the annual report after interest or borrowing cost?	David Tai	Financial	Net rental income is before the interest costs.																								
● 10	Please provide a breakdown for the revenue and net income of USJ Summit by Retail, Office and Hotel.	David Tai	Financial	<table border="1"> <thead> <tr> <th></th> <th>Gross Revenue (Realised) RM'000 (b)</th> <th>Net Property Income RM'000 (d) = (b) - (c)</th> <th>Net Property Income Yield Based on Net Book Value %</th> </tr> </thead> <tbody> <tr> <td>The Summit</td> <td>12,470</td> <td>(1,249)</td> <td>-0.3%</td> </tr> <tr> <td>- Retail</td> <td>6,647</td> <td>(3,644)</td> <td>-2.0%</td> </tr> <tr> <td>- Office</td> <td>3,283</td> <td>1,676</td> <td>3.6%</td> </tr> <tr> <td>- Hotel</td> <td>1,592</td> <td>1,283</td> <td>1.5%</td> </tr> <tr> <td>- Car Park</td> <td>948</td> <td>(564)</td> <td>-1.3%</td> </tr> </tbody> </table>		Gross Revenue (Realised) RM'000 (b)	Net Property Income RM'000 (d) = (b) - (c)	Net Property Income Yield Based on Net Book Value %	The Summit	12,470	(1,249)	-0.3%	- Retail	6,647	(3,644)	-2.0%	- Office	3,283	1,676	3.6%	- Hotel	1,592	1,283	1.5%	- Car Park	948	(564)	-1.3%
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**Part C: Questions received after the Pre-AGM cutoff – contd.**

No.	Questions	Originator	Category	Response from Chairman and/or Management
● 11	Referring to the disposal of Menara AmFirst, was the process of disposal done by a direct dealing or through an agent? What is the total agent fee involved? How much RPGT to be paid and are there exemptions being explored?	David Tai	Business Operations	<p>The proposed disposal of Menara AmFIRST was done through an agent for an agency fee of 3%.</p> <p>There is no RPGT payable as the disposal is at a net loss position.</p>
● 12	Who is the purchaser of Menara AmFIRST related to?	David Tai	Business Operations	As per our Bursa announcement dated 1 July 2022, Forever Backup Sdn Bhd is a private limited company incorporated in Malaysia under the Companies Act, 2016 on 10 August 2020. They are related to one of our tenants.
● 13	Has the AmREIT Manager Sdn Bhd's Board ensured that there was a competitive offer on the property and opened a tender (i.e. putting on AmFIRST website to seek an expression of interest for sale of Menara AmFIRST?) If yes, how long was the process duration and when was it started? Ability to monetise at a good price for such assets could only be done with sufficient period to market.	David Tai	Business Operations	<p>We have been working with various property agencies and exploring various means in divesting this asset since 2018. During this period, we have had few prospects introduced by the agencies of which had not met with our minimum price expectation.</p> <p>We prefer to market the sale of this asset discreetly through our panel of property agents instead of an open tender which may send the wrong signal to the public and our tenants in particular as this is normally done by liquidators and receivers for distressed assets.</p>



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**Part C: Questions received after the Pre-AGM cutoff – *contd.***

No.	Questions	Originator	Category	Response from Chairman and/or Management
● 14	We unitholders think that the building could be sold at a better price than the valuation as the location is a landmark in PJ, we didn't see any banner or stickers hung on Menara AmFIRST seeking for interested buyers. Was sufficient advertisement and communications done for the interest to sell Menara AmFIRST?	David Tai	Business Operations	Please refer to our earlier response no.5.
● 15	Did the Board ensure the major tenants weren't interested in buying the property as part of the process by writing a letter to them requesting their interest to purchase Menara AmFIRST?	David Tai	Business Operations	We have explored this option too and the purchaser is related to one of the existing tenants.

**Part C: Questions received after the Pre-AGM cutoff – *contd.***

No.	Questions	Originator	Category	Response from Chairman and/or Management
● 16	Will the Board recommend and continue employing the strategy of disposing other properties to lower AmFIRST's high gearing ratio and borrowing for the year 2022 onwards? We as unitholders believe that it is a good strategy to lower interest cost hence improving the overall net yield of the REIT. There are many properties in AmFIRST's portfolio that are unable to yield a net rental income percentage higher than the cost for its borrowings. I believe that this should be incorporated in the KPIs for the Chairman's and Board evaluation.	David Tai	Business Operations	<p>As per earlier the presentation by the CEO, it is always part of the Manager's portfolio rationalization strategy to dispose the non-core and low yielding assets within the portfolio as divestment targets to bring down the gearing. The proposed disposal of Menara AmFIRST was done with that objective in mind.</p> <p>However, due to the continuing depressed property market, particularly for old office buildings, we have not been able to find serious buyers for other properties in the portfolio who can meet our price limits.</p>

**Part C: Questions received after the Pre-AGM cutoff – contd.**

No.	Questions	Originator	Category	Response from Chairman and/or Management
● 17	<p>We unitholders prefer if AmFirst advertises properties via a “seeking for expression of interest” exercise, and would like to see good governance in the disposal process to avoid any suspicious profiteering of sales fees or soliciting cost. We believe this could result in a win-win scenario whereby some interested buyers can directly negotiate with AmFirst without necessitating agent fees.</p> <p>Please update your company website to include this function, including listing of spaces for lease along with the details of the floor and the space available. The leasing team should also be ready with the floor plans to ensure quick response, cutting the need for agent fees to save cost. What are the current cost-saving initiatives being taken?</p>	David Tai	Business Operations	<p>Our approach and basis for this disposal have been explained in No. 5 above. It is a rigorous process in consultation with AmFIRST REIT’s trustees, Maybank Trustees Berhad and is in strict compliance with good governance practice, as well as existing rules and regulations.</p> <p>As to the suggestions towards leasing, we will consider enhancing the marketability and this has been done through collaborative efforts with AmBank Group. In terms of cost saving initiatives, we have implemented various measures in terms of energy and water consumptions to avoid leakages and improve energy efficiency.</p>



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**Part C: Questions received after the Pre-AGM cutoff – *contd.***

No.	Questions	Originator	Category	Response from Chairman and/or Management
● 18	Please indicate the grade of each building (i.e. Prime A+, Grade A, etc) on the website and other publications, as this will aid tenants' judgment on the service and quality of the building.	David Tai	Business Operations	A general classification system exists to categorize buildings by location, age, amenities, aesthetics, and general infrastructure. Commercial real estate brokers use these classes to prepare market data and justify the cost of leases within the building. For that reason, official as they sound, these classifications are somewhat subjective—something to bear in mind in lease negotiations. We always take the efforts in informing the real estate agents and prospects on the features of each building on its strengths and weaknesses for them to make their choice.
● 19	Why is AmFIRST investor relations inactive for retail briefing and roadshows, aside from AGM? There are several options to boost investor relations, like providing presentations on decisions made, the rationale behind them, and the strategy moving forward for AmFIRST. There is also no analyst coverage on your counter. Do you conduct analyst briefing sessions?	David Tai	Investor Relations	We have been doing briefings to institutional investors and individual unitholders, which however, were impacted by the pandemic of late. As to analyst briefings, we intend to do so as when we have positive stories to highlight in the form of new corporate exercises or acquisitions. Moving forward, we will continue to explore this avenue to elevate the Trust's positioning.



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**Part C: Questions received after the Pre-AGM cutoff – *contd.***

No.	Questions	Originator	Category	Response from Chairman and/or Management
20	In regards to the resolution 1 for the 10th AGM, I disagree to any allotment of shares which will cause dilution of Net Asset per share value of existing shareholders. The Board should not allow any new allotment of shares and any further expansion in this jittery market conditions. The Board should be placing a KPI to ensure the right strategy to manoeuvre to avoid this resolution for good cash flow i.e. (a proper disposal or seeking of expression of interest process to sell properties which have a lower yield to borrowing cost ratio) instead. Will the Board find ways to monetize USJ Summit?	David Tai	Financial	<p>As pointed out during the AGM, the Board will exercise this mandate judiciously and only if it will help to improve the performance and positioning of AmFIRST REIT for the benefit of existing unitholders.</p> <p>As mentioned earlier, it is our strategy to divest low-yielding asset to optimize the gearing level and The Summit is one of the assets that is identified for disposal if the opportunity arises.</p>

**Part C: Questions received after the Pre-AGM cutoff – contd.**

No.	Questions	Originator	Category	Response from Chairman and/or Management
21	Are there any strategic initiatives for AmBank Group and its subsidiaries and other related operations to occupy the empty spaces in AmFIRST REIT-owned properties? We shareholders note that part of AmBank Group is renting Menara AmFIRST that is currently being sold - will they move in 2024?	David Tai	Business Operations/ Strategy	Under the collaboration efforts, this has resulted in relocation of some department of AmBank Group's entities to Wisma AmFIRST and this will be continually pursued. Currently, only the REIT Manager is renting in Menara AmFIRST and we plan to re-locate this office to other buildings owned by AmFIRST REIT.
22	Are there any negotiations with AmBank to privatize or acquire 51% of the units in AmFIRST REIT?	David Tai	Strategy	No such talk that we know of.
23	Will the dividend improve from 2022 onwards from any strategies being taken?	David Tai	Financial/ Strategy	As mentioned earlier, improved DPU and lower down gearing is our top priority. Divestment of Menara AmFIRST will help to pare down the gearing level from 49.1% to 47.8%.  Dividend will be improved through collaboration exercise with AmBank to reach out to more prospects. So far, the results are very encouraging. We managed to secure around 30,000 sq. ft of new tenants through such collaboration.