

Corporate Governance and Risk Management

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Statement on Corporate Governance

Overview Statement

Our corporate governance provide a framework of control mechanisms to support the Trust in achieving its goals. This is also critical to our performance and consequently, the success of the Trust.

We have adopted a strong corporate governance framework that is designed to meet the best practice principles. In particular, the Board and the management have the obligation to act honestly, with due care and diligence, and in the best interests of the Unitholders and other stakeholders by emphasising on the transparency of decision-making process, fairness and trustworthiness in managing the Trust. We also recognise the need to adapt and improve the principles and practices to meet the ongoing changes and challenges in regulatory requirements, international developments and investor expectations.

The Trust is a real estate investment trust, which was established under a Trust Deed with a mandatory requirement to appoint a Trustee. Maybank Trustees Berhad was appointed as the Trustee for AmFIRST REIT, and the appointment was approved by the SC as prescribed under sections 288(1)(a) and 289(1) of the Capital Markets and Services Act 2007 (CMSA). The Trustee is required to act honestly and discharge its roles and responsibilities in accordance with the Deed, SC's Listed REITs Guidelines, trust laws and securities laws. It has to exercise a degree of due care and diligence and has to act in the best interests of the Unitholders. The primary roles and functions of the Trustee are outlined in the Deed.

The following sections describe our main corporate governance practices and policies, which are guided by measures recommended in the Malaysian Code on Corporate Governance 2021 (the Code).

Chapter 15.25(3) of Bursa Malaysia's Main Market Listing Requirement (MMLR) requires the Board to provide only an overview of the application of the Principles set out in the Code. In addition, real estate investment trusts in particular are provided with specific exemptions as stipulated in clause 8.36

of Chapter 8 in MMLR. However, in the spirit of good corporate governance, we have applied and outlined the practices under the Principles (wherever possible) during the financial year. The Code requires the Trust to provide a summary of its corporate governance practices during the financial year with reference to the three broad principles as follows:

| | |
|--------------------|--|
| Principle A | Board Leadership and Effectiveness |
| Principle B | Effective Audit and Risk Management |
| Principle C | Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders |

The key focus areas on corporate governance and its priorities are as follows:

Board, EXCO and Key Management Leadership

Our shareholders critically assess on an ongoing basis its Board's leadership and its key management staff, especially its Chief Executive Officer who plays an important role in executing strategies that had been approved by the Board. Under the direction of the Board, Executive Committee (EXCO) is to assist the Board to review, scrutinise, direct and approve management's proposals, as well as to monitor the Trust's financial performance.

The Board, EXCO and the key management staff face an uphill task to improve the Trust's financial performance especially during the challenging market conditions with increased leasing space within Klang Valley. It is only through continuous effort and focus that action plans were formulated and executed to achieve the Trust's intended goals.

The key management staff work closely with the licensed property managers on a day-to-day basis in ensuring effective property management. It is the Board's priority to ensure leadership in both the Board and key management staff are always intact to ensure the Trust delivers sustainable performance.

Code of Ethics, Code of Conduct, Whistleblower Protection Policy, No Gift Policy, Anti-Bribery and Corrupt Practices and Management of Conflict of Interest

The Code of Ethics as well as the Code of Conduct (Codes) have always been central in our day-to-day activities. Being part of the AmBank Group, it has been continuously emphasised to all staff that they are to comply with the internal policy. The Codes provide the framework for sound decision-making and guide for good business conducts. The Code of Ethics outlines six key principles, which every Director and employee must adhere to. The six key principles are being *Compliant, Responsible, Ethical, Accurate, Trustworthy and Equitable*.

In addition, the Whistleblower Protection Policy, No Gift Policy, as well as the Anti-Bribery and Corrupt Practices were established and employed to further enhance the culture of good ethics and business conduct. Our staff are also required to complete relevant online trainings organised by AmBank Group as and when launched and attend refresher courses conducted by the Compliance & Risk Department.

The Whistleblower Protection Policy provides an independent reporting channel for all staff and stakeholders. External parties are able to have access via email or contact the designated Compliance Officer for lodgement of complaints or clarification, when required. Whistleblowers are protected and the channels are independent of the operational departments. The Compliance Department and the Company Secretaries play an important role in receiving complaints and channelling the same to specified ombudsperson.

We adopt the Management of Conflict of Interest Policy which provides guidance to staff on the processes and procedures for identifying and managing situations that may give rise to conflict of interest in the course of discharging their duties.

Governance, Risk Management and Internal Control Framework

Policies are approved by the Board and cascaded down to the entire organisation to ensure all departments are aware of what is expected of them. Standard operating procedures are formulated based

on these approved policies. Staff are guided by these policies and procedures in discharging their daily duties. The Board is assisted by the Audit Committee in ensuring the adequacy and effectiveness of the risk management and internal control framework.

The Risk Management Committee (RMC), a management level committee headed by the Chief Executive Officer and supported by the Heads of Departments reviews the entity wide risk. The Committee is responsible for identifying the principal risks associated with the business activities and ensuring appropriate measures, systems and internal controls are in place to mitigate the risk exposure. The Risk Management framework further extends to functional roles and responsibilities established for the management of risk.

In parallel, Business Operational Controls Officer (BOC) performs relevant key controls testing to ensure adherence to policies and procedures adopted. In addition, the Compliance & Risk Department's role is also to assess key areas, such as regulatory compliance and internal policies are complied with accordingly. The Department reports its activities to the Board on quarterly basis and the Compliance Officer has direct reporting to the Board. The Compliance Officer's requirement is in line with the SC's Guidelines on Listed REITs stipulated under the Roles and Responsibilities of a Management Company.

In addition, the Internal Audit function is undertaken by the Group Internal Audit Department (GIAD) of AmBank Group, which is independent of us and the Trust's business and operations and reports directly to the Audit Committee. The GIAD performs independent assessment of the adequacy and effectiveness of our risk management, internal control and governance processes and systems.

Results of GIAD's reviews and issues of concerns are reported directly to the Audit Committee. The Chief Executive Officer and Heads of Departments are responsible to ensure the audit findings are resolved within the agreed timelines, and the status of resolution of key audit findings are also monitored by the Audit Committee.

Statement on Corporate Governance

Application of Specific Practices for Each Principle

Although not mandatory, we set out the specific applications of the practices for each principle as indicated by the Code as follows:

Principle A: Board Leadership and Effectiveness

Intended Outcome

1.0 Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

We are managed by an experienced Board with a wide and varied range of expertise. The Board is responsible for the overall management and corporate governance of the Trust, including establishing goals for management, monitoring the achievement of these goals and review of management's performance.

Each Director has a duty to act honestly and in good faith, with due care and diligence, and in the best interests of the Unitholders. The Board ensures that proper and effective controls are in place to assess and manage business risk, and compliance with applicable laws, regulations, guidelines and policies.

The Board focuses mainly on strategy, financial performance and critical business issues, including:

- strategic business plans
- key financial performance indicators
- principal risks and their management
- succession planning for senior management
- investors and Unitholders relations programmes
- system of internal control and policies

The Board is adequately resourced and supported by an Audit Committee to look into, amongst others the risk management, internal control and financial management of the Trust.

Practice 1.2

The Chairman of the Board, Mr. Soo Kim Wai a Non-Independent Non-Executive Director, leads the Board objectively and ensures its effectiveness. The Chairman encourages active participation and all parties are free to express their opinions in the board meetings or informal discussions with the management team.

Practice 1.3

The roles and responsibilities of the Chairman and Chief Executive Officer are separated, and the positions are held by two different individuals. Mr. Soo Kim Wai is the Chairman / Non-Independent Non- Executive Director while Mr. Chong Hong Chuon is the Chief Executive Officer. This is to ensure appropriate segregation of duties, authority and accountability.

The segregation ensures a clear distinction between the Chairman's responsibilities to lead and manage the Board and the Chief Executive Officer's responsibilities to manage the Trust and the Manager.

The Chairman ensures that members of the Board work together with the management team in a constructive manner to address strategies, business operations, financial performance, risk management and internal control issues.

The Chief Executive Officer has full executive responsibilities in consultation with the EXCO over the business directions and operational decisions of the Trust. He leads the management team and provides direction on the day-to-day operations and works with the Board to determine the overall business, investment and operational strategies for the Trust and ensures that these are implemented as planned and in accordance with the Deed and the SC's Listed REITs Guidelines.

Practice 1.4

The practice recommends that the Chairman should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

We do not have a Nomination or Remuneration Committee, however the Chairman is a member of the Group Nomination and Remuneration Committee (GNRC) established at the AmBank Group level. He is also a member of the Audit Committee by virtue of being as the most suitable and appropriate candidate that satisfies the MMLR's Chapter 15, Clause 15.09(1)(c) in relation to financial, as well as accounting qualification. As the MCCG Guidance 1.4 outlines that having the same person assuming the positions of Chairman of the Board and being a member of the Audit Committee may impair the objectivity of the Chairman, the Board manages the objectivity by ensuring the Chairman of the Board would abstain from deliberation and decision making at the relevant meetings, if there is any potential conflict of interest.

Practice 1.5

The Board is supported by qualified and competent licensed Company Secretaries. The roles and responsibilities of the Company Secretaries includes guiding and advising the Directors on areas of corporate governance, relevant legislations, regulations and policies besides ensuring compliance with the MMLR and other regulatory requirements.

The Company Secretaries attend the board and the board committee meetings and are responsible for the accuracy and adequacy of records of the proceedings of the board and the board committee meetings and resolutions.

Practice 1.6

The Company Secretaries, namely Ms. Chan Sau Leng and Ms. Ruzeti Emar Binti Mohd Rosli from Boardroom Corporate Services Sdn Bhd work with the Chairman and management to ensure that the board papers and agenda are provided to the Directors ahead of meetings of the board and board committee so that they have time to review matters to be discussed. The board papers are circulated at least five business days in advance. Meetings are usually a half-a-day event and include presentations by the management, and where necessary, presentations by external consultants and experts on strategic, as well as operational issues relating to specific business areas.

The board meetings are scheduled four times per annum with the purpose, amongst others, to discuss and review the operations of the Trust and approve the release of the interim and the audited financial statements of the Trust. Additional meetings are held as and when necessary between the scheduled meetings.

| Directors | Designation | Number of Board Meetings | Percentage of Attendance |
|-----------------------------|---|--------------------------|--------------------------|
| Soo Kim Wai | Chairman/Non-Independent Non-Executive Director | 5/6 | 83% |
| Dato' Abdullah Bin Md Thani | Independent Non-Executive Director | 6/6 | 100% |
| Dato' Wong Nam Loong | Independent Non-Executive Director | 6/6 | 100% |
| Jas Bir Kaur A/P Lol Singh | Independent Non-Executive Director | 6/6 | 100% |
| Azlan Bagee Bin Abdullah | Non-Independent Non-Executive Director | 5/6 | 83% |
| Christopher Yap Huey Wen | Non-Independent Non-Executive Director | 5/6 | 83% |

Statement on Corporate Governance

Intended Outcome

2.0 There is demarcation of responsibilities between the Board, Board Committees and management. There is clarity in the authority of the Board, its committees and individual Directors

Practice 2.1

The Board is governed by the Board Charter, which is periodically reviewed and is made available at the Trust’s corporate website at www.amfirstreit.com.my.

The Board is primarily responsible for providing oversight and stewardship. The Board is to ensure the protection and enhancement of Unitholders’ value and safeguarding the stakeholders’ interests including securing long-term financial results. The Board also have sound and sufficient knowledge as well as expertise to enable effective governance, and oversight. Each member of the Board has a duty to act in the best interest of the Unitholders.

Audit Committee is established to provide assistance, review and report to the Board in relation to fulfilling the statutory responsibilities, monitoring of the accounting and financial reporting practices, as well as ensuring adequate and effective internal control systems are in place, amongst other roles and primary responsibilities. The Audit Committee comprises four members of the Board and the committee meets on a quarterly basis together with other key management staff.

In addition, the Board has established an EXCO, which was formed to support the Board to assess, deliberate and approve operational decisions expeditiously. The EXCO comprises four members who are representatives of our shareholders. The EXCO meeting is held on a monthly basis and is attended by the Chief Executive Officer, Heads of Departments and key support staff. Both the Audit Committee and the EXCO’s minutes are tabled quarterly to the Board. The minutes comprise key deliberations, recommendations to the Board and decisions made.

The Board has specifically formed Management Appointment Committee comprising not less than three board members, which is chaired by an Independent Director to assess and recommend the candidates for Executive Director (Licensing Director), Chief Executive Officer and other key senior officers, namely Head of Investment, Head of Finance, Compliance Officer/Head of Compliance, Head of Operations and Head of Leasing to the Board.

Intended Outcome

3.0 The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The Board employs the Codes, which were enforced by the AmBank Group. The Codes provide the framework for the decision-making and guide business conduct. AmBank Group’s Code of Ethics sets out six key principles, namely:

- **Compliant** Comply with all relevant laws and regulations
- **Responsible** Manage conflict of interest with honesty and integrity
- **Ethical** Practice honesty and integrity in everything we do
- **Accurate** Ensure completeness and accuracy of financial records
- **Trustworthy** Protect the confidentiality and sensitivity of information
- **Equitable** Treat each other and our community with respect

The Code includes reporting of unlawful or unethical behaviour through established procedures including Whistleblower Protection Policy that are in place. Staff are reminded periodically of the six key principles through briefings and assessment conducted by the Compliance & Risk Department. Staff are required to complete the refresher course periodically to ensure they understand what is required of them and are able to apply it when they are discharging their duties. We have adopted the No Gift Policy and Management of Conflict of Interest enforced by AmBank Group. This is to ensure no conflict of interest arises or preference is given to suppliers during transactions involving procurement process such as award of contracts or negotiations, as well as customers in dealing with respective tenancies.

Pursuant to the incorporation of Section 17A, Corporate Liability (for corruption) under the Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009), which was effective from 1 June 2020, we have adequate procedures and is in compliance with the prescribed Guidelines on Adequate Procedures (GAP). The GAP was issued pursuant to Section 17A(5) of MACC Act 2009 and was derived based on the five principles as follows:

- Top level commitment
- Risk assessment
- Undertake control measures
- Systematic review, monitoring and enforcement
- Training and communication

In addition, we have enforced the Anti-Bribery and Corrupt Practices Policy to all our staff, as well as the vendors and customers. The Anti- Bribery and

Intended Outcome

4.0 The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

On 11 February 2019, the Board, based on management's recommendation, approved the initial Sustainability Policy (Version 1.0). This policy was later reviewed and updated on 24 November 2021 to reinforce our commitment to Environmental, Social, and Governance (ESG) principles and to ensure sustainability risks and opportunities are managed systematically.

Corrupt Practices requirements were embedded into respective agreements to ensure that the parties are aware and expected to comply accordingly.

Practice 3.2

The Whistleblower Protection Policy and procedure were adopted by the Board and are currently in place. The purpose is to report the following improper conduct, but not limited to:

- dishonest, fraudulent, corruption, bribery or illegal practices;
- manipulation of accounts;
- unethical behaviour;
- abuse of power;
- violation of laws and constitution; or
- conflict of interest.

The policy embeds the requirement for the protection of the whistleblower, which is fundamental for the entire process. Key principles include:

- Whistleblower will be protected for reporting any actual or suspected improper conduct upon demonstrating sufficient basis for whistleblowing.
- The confidential information relating to whistleblowing will also be safeguarded.
- Whistleblower including his / her spouse and related persons who are our employees, will be protected from detrimental action.
- It is imperative that whistleblower should provide sufficient and accurate information on best effort basis.

Statement on Corporate Governance

Our sustainability approach is guided by our core values, encapsulated in the C.R.E.A.T.E. framework: *Compliant, Responsible, Ethical, Accurate, Trustworthy, and Equitable*. These principles are embedded within the corporate culture to ensure responsible ESG risk management and to foster stakeholder trust in building a sustainable and ethical business.

To support the implementation of ESG initiatives, senior management engaged AGV Environment Sdn. Bhd., a consulting firm with extensive ESG expertise. However, the Board retains ultimate responsibility for sustainability governance, ensuring that strategies align with long-term business objectives.

We have established a three-tiered Sustainability Governance Structure to oversee sustainability initiatives:

The Board, which provides strategic direction and oversight.

The Sustainability Management Team (SMT), which reports to the Board and drives ESG initiatives.

The Sustainability Working Team (SWT), which supports the SMT and ensures ESG initiatives are executed effectively.

Practice 4.2

The Board ensures that sustainability strategies, priorities, and targets are effectively communicated to relevant stakeholders. Management is responsible for providing periodic updates to the Board on the Trust's progress against these KPIs and Targets, enabling informed decision-making and timely corrective actions where necessary.

To ensure continuous oversight, quarterly updates on sustainability matters, including the Trust's sustainability performance against established KPIs and Targets, are provided to both management and the Board. These updates facilitate data-driven decision-making, allowing for adjustments to sustainability strategies as needed.

Furthermore, we publishes an annual Sustainability Statement, providing a detailed qualitative and quantitative disclosure of ESG performance, risks, and opportunities. This is included in the Annual Report (pages 77 to 138).

Practice 4.3

The Board proactively ensures it remains well-informed on sustainability issues, including climate-related risks and opportunities. This is achieved through:

- (i) Regular updates from management.
- (ii) Quarterly ESG reporting during Board meetings, ensuring that the Board remains up-to-date on sustainability performances, regulatory developments, and market trends.
- (iii) Ongoing self-education by Board members, with discussions integrated into Board, Audit Committee, and EXCO meetings to ensure ESG considerations are embedded in decision-making. Revising the Trust's climate risk profile to align with the International Sustainability Standards Board (ISSB) IFRS S2 Climate-related Disclosures, ensuring compliance with international sustainability disclosure standards and enhancing transparency in climate-related financial risks.

Practice 4.4

To reinforce accountability, we have incorporated ESG-related Key Performance Indicators (KPIs) into the performance management system for senior management and staff.

Practice 4.5 [Step Up]

Recognising the importance of a structured sustainability approach, the Board approved the establishment of a dedicated Sustainability Management Team (SMT) and Sustainability Working Team (SWT). This team plays a pivotal role in driving sustainability efforts, ensuring alignment with the Trust's ESG commitments. Additionally, Finance personnel provide support to enhance sustainability-related financial reporting and governance.

Intended Outcome

5.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

We rely on the established terms of reference and policies of AmBank Group in terms of the governance in ensuring an effective Board comprising right balance of mix of skills, experienced and competent Directors, composition of Independent and Non-Independent Directors and the maximum tenure of nine-year of an Independent Director. The Board was cognisant of AmBank Group’s policies and practices in upholding good corporate governance. Two Independent Directors will be reaching the nine-year tenure of service and the remaining Non-Executive Directors are subject to the yearly re-election by rotation at the annual general meeting.

Practice 5.2

The Board retains its board composition with at least one-third (1/3) of Independent Directors and is of the view that the decisions that the Board makes are objective and in the best interests of all stakeholders.

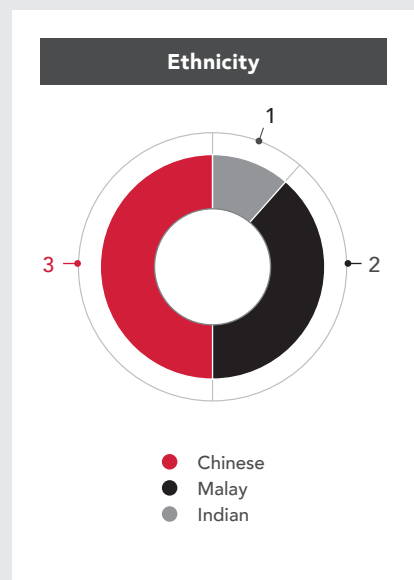
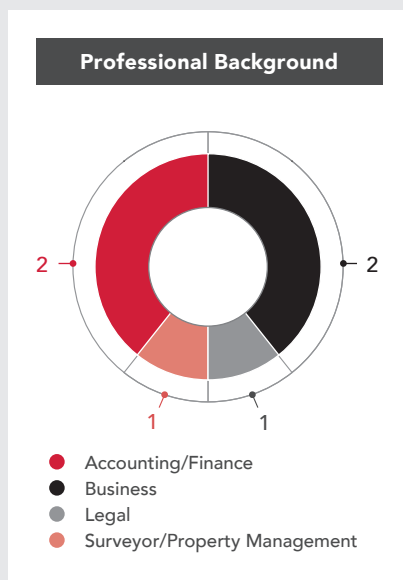
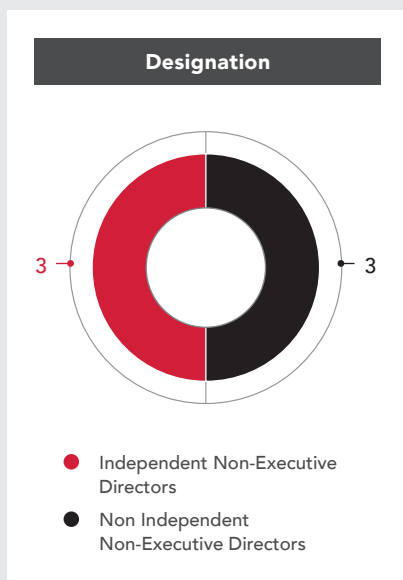
As of this report date, the Board has six members comprising six Non-Executive Directors. Three of the board members are Independent Directors (representing 1/2 of the Board) in compliance with

the MMLR and SC’s Listed REITs Guidelines, while the Chairman of the Board is a Non-Independent Non-Executive Director.

As at the date of this Report, none of the Directors held directorships in more than five listed issuers. The relationships among the board members are disclosed on page 166 of this annual report. In addition to this, information on direct and indirect unitholdings related to the Manager and transactions with the companies related to the Manager are disclosed in Note 16 and Note 28 respectively, in the notes to the financial statements.

The Board comprises business leaders and experienced professionals with backgrounds in fund management, property, banking, legal and finance. The profiles of the Directors are set out on pages 5 to 8 of this annual report. The Board is of the view that its current composition comprises individuals who, as a group, provide the necessary core competencies and that the current board size is appropriate and effective, taking into consideration the nature and scope of the Trust’s operations.

The Board diversity in terms of ethnicity, professional background and experience are as illustrated below:



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Practice 5.3

The Code states that the tenure of an Independent Director should not exceed a cumulative term of nine-year. This is in line with AmBank Group's existing policy, which states that an Independent Non-Executive Director shall serve up to a maximum of nine-year (the 9-Year Rule).

Two Independent Directors will be reaching the nine-year tenure of service on 15 August 2025 and they are Dato' Wong Nam Loong and Dato' Abdullah Thalith Bin Md Thani.

The Independent Director may continue as a Non- Independent Director subsequently subject to the recommendation of the GNRC and the approval of the Board. The two-tier voting process for the purposes of retaining an independent Director beyond nine-year as recommended by MCCG is not applicable for the Manager as the Manager is a limited company.

Practice 5.4 [Step Up]

We have adopted the policy, which limits the tenure of its Independent Directors to nine years. The policy has been complied diligently, and this was demonstrated in prior years, where Independent Directors had stepped down after nine years of service. As of the date of this annual report, the approximate period of service by respective Independent Directors is as follows:

| Independent Directors | Period of Service |
|-----------------------------|-------------------|
| Dato' Wong Nam Loong | 8 Years 9 months |
| Dato' Abdullah Bin Md Thani | 8 Years 9 Months |
| Jas Bir Kaur A/P Lol Singh | 2 Years |

Practice 5.5

It is imperative that the Board and senior management are appointed based on objective criteria, merit and taking into account diversity in skills, experience, age, cultural background and gender. We established Management Appointment Committee to recommend the appointment of Executive Director (Licensing Director), Chief Executive Officer and other key senior officers to the Board. We adopt AmBank Group's appointment procedures for both Directors and for our staff. We utilise the resources made available by AmBank Group's Human Resource. The Board places significance on the merit as well as the role, which objective criteria were derived. Newly appointed Directors and senior management are given briefings by the management on the business activities of the Trust, its strategic directions and policies and the regulatory environment in which the Trust operates. Directors are also informed of their statutory and other duties and responsibilities, as well as policies and procedures relating to the corporate conduct and governance including the disclosure of interests,

prohibitions on dealings in the Trust's units and restrictions on the disclosure of price-sensitive information.

Subsequent to a Director's appointment, the Director will be required to complete the Mandatory Accreditation Programme as required by Bursa Malaysia, and the Capital Market Director Programme (CMDP) as required by Securities Commission Malaysia within the timeline as stipulated in MMLR and SC's Licensing Handbook respectively. CMDP is an exclusive platform for Directors of licensed intermediaries to be equipped with the relevant knowledge, skills and abilities to meet the expected competencies required of a board. It is also designed to allow Directors to explore and deliberate on pertinent issues affecting the industry from the perspectives of multi stakeholders.

Practice 5.6

AmBank Group has various approaches and sources to identify candidates for the appointment of Directors. Apart from obtaining recommendation from the board members and major shareholders, AmBank Group uses independent recruitment firms, as well as the direct approach of identifying individuals that have relevant experience and undertaken similar board roles and are well known in the market.

Practice 5.7

The appointment and reappointment of the Directors are the responsibility of our shareholders and not the Trust's Unitholders. Practice 5.5 and 5.6 sets out the due process involved to ensure they are able to discharge their duties once they are onboarded as Directors.

Practice 5.8

GNRC performs the function that a Nominating Committee would otherwise perform, namely it administers nominations to the Board, reviews the structure, size and composition of the Board, and reviews the independence of board members. The composition of the Board is reviewed to ensure

an appropriate mix of expertise, independence, experience and knowledge in business, legal, finance and management skills critical to the Trust's business.

Practice 5.9

The Board takes cognisance of having more women Directors on the Board. The Code's requirement is for the Board to comprise 30% women Directors. In addition, the Guidelines on Corporate Governance for Capital Market Intermediaries has outlined that the Board of Capital Market and Services License (CMSL) Holder must undertake the necessary measures to ensure the Board comprises at least 30% women Directors. The SC's Listed REITs Guidelines was updated and requires the management company to have at least one woman Director with effect from 1 June 2023. As of the annual report date, the Board has one woman Director.

Practice 5.10

We disclose the gender diversity data in the Employee Diversity and Inclusivity section in the Sustainability Statement on page 124 to 125. We provide equal opportunities and evaluate employee based on merit.

Intended Outcome

6.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Directors

Practice 6.1

The Manager via AmBank's GNRC conducted a formal and objective annual evaluation to determine the effectiveness of the Board, its Board Committee and each individual Director. A robust and comprehensive assessment framework was used, encompassing:

Part A: Board and Board Committee Effectiveness

1. Board Responsibilities
2. Board Composition
3. Board Remuneration
4. Board Committees
5. Board Conduct
6. Board Interaction and Communication
7. Chairman
8. Chief Executive Officer
9. Board Administration and Operations
10. Directors training – Current Year and Forthcoming Year

Part B: Individual Directors' Self and Peer Evaluation

1. Board Dynamics and Participation
2. Integrity and Objectivity
3. Technical Competencies
4. Recognition
5. Independence

The overall results were positive, a testament of the high performing board culture and dynamics. The GNRC had taken the feedback into consideration in implementing areas where require improvements.

Statement on Corporate Governance

Intended Outcome

7.0 The level and composition of remuneration of Directors and senior management take into account the company's desire to attract and retain the right talent in the Board and senior management to drive the company's long-term objectives. Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

We acknowledge the need to ensure a fair and equitable remuneration mechanism for the directors and senior management, which commensurate with the demands and performance of the Manager, and also the individual's responsibilities. We utilise AmBank Group's Human Resource's remuneration policies and procedures, which were implemented AmBank Group-wide. The remuneration scheme that we adopted from AmBank Group reflects and considers level of position, years of experience, competency, different roles, complexity of functions, market conditions and other criteria that may be considered on a case-to-case basis. There is systematic performance management system with key performance indicators agreed upfront for annual appraisals for staff. Staff are required to undergo semi-annual performance review with respective Heads of Departments. This is to ensure that staff are made known on their progress

and appropriate corrective actions can be taken. The entire process is overseen by AmBank Group's Human Resource Department.

The policy and procedures are periodically reviewed by AmBank Group's Human Resources and reflected accordingly in AmBank Group's internal portal for all the staff's reference.

Practice 7.2

GNRC performs the function that a remuneration committee would otherwise perform, namely it recommends a formal and transparent procedure for developing the remuneration policy for Directors, senior management and staff of the Manager (where applicable and if required). The Terms of Reference of the GNRC is published in AmBank Group's corporate website at www.ambankgroup.com.

Intended Outcome

8.0 Stakeholders are able to assess whether the remuneration of Directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

The Directors' remuneration is paid by the Manager and not the Trust. The Directors receive Directors' fees and meeting allowances for their attendance at meetings of the Board and the Board Committee from the Manager. The determination of the Directors' remuneration is a matter for the Board as a whole and is subject to the approval of the Manager's shareholders. The Directors are not involved in the approval of their own remuneration.

Practice 8.2 and 8.3 [Step Up]

The Board opined that the top senior management's remuneration will not be disclosed due to sensitivity and competitive external human resource environment in the industry. This is necessary and in the best interest of the Manager and the Trust, in order to retain its experienced staff and ensure smooth continuity of the business operations. Furthermore, the Code, referring to Guidance 8.2 suggests that the disclosure of how remuneration is measured, allows stakeholders to understand the link between senior management's remuneration and the company's performance. On the contrary, due to the unique Trust structure, whereby the Manager is separate from the Trust, there is no direct link between the remuneration of management team and the Trust's performance. The remunerations were disbursed from the management fees earned by the Manager, which were predetermined at the inception of the Trust via the Trust Deed.

Intended Outcome

9.0 There is an effective and independent Audit Committee. The Board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee, Dato' Wong Nam Loong is not the Chairman of the Board. Dato' Wong Nam Loong was appointed on 15 August 2016 as an Independent Non-Executive Director and has led the Audit Committee since then.

The Chairman of the Audit Committee ensures that the Committee's primary roles and responsibilities are discharged in accordance with its Terms of Reference, which is set out in the Audit Committee's Report on pages 161 to 163 of this annual report.

Practice 9.2

The Board takes cognisance of matters pertaining to independence and conflict of interest. It is imperative that the functions of Board Committee are not impaired when they are discharging their duties. In this respect, if there is any, the Board will require a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee. This will also apply to any other similar appointments if the Board deems there is a potential conflict or an issue on independence.

Practice 9.3

The Audit Committee is responsible to review the appointment and resignation of external auditors. This is clearly outlined in the Audit Committee's Terms of Reference.

During the annual audit plan presentation by the external auditor, the Audit Committee had assessed the suitability, objectivity and independence of the external auditor. The external auditor had also confirmed their independence during the meeting with the Audit Committee prior to the commencement of their annual audit.

Practice 9.4 [Step Up]

While the requirement of the Code states that the Audit Committee should solely comprise Independent Directors, the Board is of the view that the Audit Committee is able to discharge its duties effectively with its three-fourth (3/4) composition of Independent Directors. The inclusion of a Non- Independent Director who represents one-fourth (1/4) of the Audit Committee is deemed necessary to facilitate and support the Independent Directors in areas of his expertise both in financials and property related industry.

Practice 9.5

The Audit Committee possesses the necessary range of skills to effectively discharge its duties. All members have good understanding of the operations and its financial reporting process. Mr. Soo Kim Wai, who is an Audit Committee member possesses extensive experience in the accounting field and is a member of several professional accounting bodies namely the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants and Association of Chartered Certified Accountants.

Apart from financial knowledge, the Board has ensured that the Independent Directors should also comprise members who have experience in the relevant property related industry. Collectively, the current Audit Committee members have extensive experience and knowledge in accounting, finance, regulatory, legal and real estate fields.

During the financial year under review, the Directors, including the Audit Committee members had attended various conferences, seminars and workshops to enhance their knowledge and expertise and to keep abreast with the relevant changes in laws, regulations and the business environment. The training programs attended by the Directors during FY2025, were on areas relating to:

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- Anti-Money Laundering
 - Cyber Security Awareness Program
 - Mandatory Accreditation Program (MAP) Part II
 - Sustainable Investing, Ethical Wealth Management and AMLA compliance: Aligning Financial Goals with Social Impact
 - Unveiling the Madani Economy: Empowering Malaysia's Future
 - Refresher on Basel FIRB
 - Anti Bribery & Corruption
 - Fair Treatment for Financial Consumer
 - Board Artificial Intelligence (AI) Day
 - Ensuring Financial Integrity: Strategies for Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Corruption Prevention
 - Ikhlas Capital Annual Conference 2024
 - Preventing Fraud: The Board's Roles and Responsibilities
 - Conflict of Interest (COI) and Governance of COI
 - National Budget 2024 Review and Updates
 - Audit Oversight Board Conversation With Audit Committees
 - JP Morgan Outlook 2025: Building on Strength
 - Overview of the Group's Sustainability Journey
 - FIDE Forum – CGM Masterclass: What Directors Must Know: Recent Developments in Climate Science.
 - Global Forum on Islamic Economics and Finance
 - Asian Economy Impact – Climate Change Risk
 - Sustainability Reporting Masterclass
 - SSM Annual Conference
 - FIMM Annual Conference
 - Insights into Exchange Traded Funds and Structured Products
 - Developments on Capital Market Regulations
 - FIDE Luncheon Meeting with DR Talent Ambassadors
 - AmBank Group of Code of Conduct
 - Essential Business Continuity Management
 - Safety and Health in The Workplace
 - Connected Party Policy
 - Essential Operational Risk Management
 - Anti-Bribery & Corruption Policy, Whistleblower Protection and No Gift Policies
 - AmBank Information and Cyber Security Awareness
 - Information Classification and Handling Guidelines
- These trainings were arranged by AmBank Group's Learning and Development Department and regulators, as well as professional establishments.

Principle B: Effective Audit and Risk Management

Intended Outcome

10.0 Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives. The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The Board has established an effective risk management and internal control framework. It plays a vital function in the management of its risks and transactions. The Board through its Audit Committee is responsible for the risk management of the Trust, which includes but is not limited to, identifying the principal risks associated with the business activities and ensuring appropriate measures, systems and internal controls are in place to mitigate the risk exposure.

Practice 10.2

The features of the risk management and internal control framework are disclosed in detail in the Statement on Risk Management and Internal Control on pages 156 to 160 of this annual report. The internal control is driven by policies and procedures, which are designed to provide reasonable assurance to the Board that the Trust will achieve its objectives. There is an established internal audit function, which is undertaken by GIAD. The Manager also has a designated Compliance Officer to ensure compliance with regulations, internal policies and procedures.

Practice 10.3 [Step Up]

The RMC which is a management level committee was established to assist the Audit Committee in assessing the adequacy of internal control and risk management. The RMC comprises the Chief Executive Officer and Heads of Departments. There is requirement to report the risks affecting the Trust on half-yearly basis to the Audit Committee and the Board. The Audit Committee which comprises a majority of independent directors reviews the risk management related papers presented at the Audit Committee meeting.

Intended Outcome

11.0 Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The internal audit function is performed by GIAD, headed by Group Chief Internal Auditor (GCIA), Encik Shamsul Bahrom Bin Mohamed Ibrahim (Encik Shamsul). GIAD is independent and operates under an audit charter, which gives it unrestricted access to review all activities. The GCIA reports directly to the Audit Committee.

GIAD's activities conform with the Institute of Internal Auditors (IIA)'s International Standards for the Professional Practice of Internal Auditing, as well as standards and requirements set out by the relevant Regulators on the internal audit function.

The current structure allows GIAD to perform its function effectively and independently.

Practice 11.2

The GCIA, Encik Shamsul, has over 26 years of comprehensive internal auditing and management experience in the financial services industry. Encik Shamsul holds a BSc (Hons) in Finance & Accounting from the University of Salford, Manchester, United Kingdom, as well as Master's in Business Administration (MBA) from the University of Strathclyde, Glasgow, Scotland, United Kingdom. Encik Shamsul is a Chartered Banker (CB), a Qualified Risk Auditor (QRA), a Certified Fraud Examiner (CFE) and a Chartered Professional in Islamic Finance (CPIF). Encik Shamsul has completed the Cybersecurity Fundamentals Certification (CSX-f) and the Asian Institute of Chartered Bankers' (AICB) Certification for Bank Auditors (CBA). He has also been awarded the Certified Professional Postgraduate Diploma in Financial Crime Compliance (Prof. Pg. Dip. FCC) from the International Compliance Association (ICA) and the AICB.

Encik Shamsul is a member of the Institute of Internal Auditors Malaysia (IIAM), the Asian Institute of Chartered Bankers (AICB), the Chartered Institute of Islamic Finance Professionals (CIIF) and the Association

of Certified Fraud Examiners (ACFE). He is also the current Chairman of the AICB's Chief Internal Auditors Networking Group (CIANG).

GIAD executes the audit reviews in accordance with the Annual Audit Plan, which is developed based on a structured risk-based audit planning methodology and assessment of all the activities undertaken by us as the Manager that ensures all risk rated areas are kept in view to ensure appropriate audit coverage. The risk-based audit plan is reviewed periodically, taking into account the changes in the business and risk environment.

The Annual Audit Plan, including the internal audit resources required to execute the plan is approved by the Audit Committee.

The main objective of the audit review is to assess the adequacy and effectiveness of our governance, risk management and systems of internal control.

Apart from the above, GIAD also performs ad hoc reviews and investigations involving fraud, misconduct, when requested by regulators, the Board or management.

The results of the audit reviews, including management's action plans to address issues highlighted by internal auditors are tabled to the Audit Committee for deliberation. GIAD conducts follow-up and reports to the Audit Committee regarding the status of implementation of the management's action plans, until full resolution.

GIAD has internal procedures in place to ensure that the audit personnel are free from any relationships or conflicts of interest and their objectivity and independence are not impaired when conducting audits.

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Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Intended Outcome

12.0 There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The Board emphasises the need to communicate with stakeholders regularly, effectively and in a transparent manner. While the Trust's corporate website serves as a central hub for dissemination of information and updates, external media write-ups arising from public announcements made serves as an additional and diversified channel of communication for stakeholders, ensuring that stakeholders have multiple avenues to stay informed and engaged. In addition, during the current financial year, we have established an official account with LinkedIn as part of an initiative to broadcast the activities of the Trust.

Stakeholders are able to query or reach senior management both via email and telephone. Contact details are listed on the Trust's corporate website.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework. The Trust does not fall under the large companies classification and at this juncture has not voluntarily adopted the suggested integrated reporting framework.

Intended Outcome

13.0 Unitholders are able to participate, engage the Board and senior management effectively and make informed voting decisions at general meetings.

Practice 13.1

The Board through its management and Company Secretaries strictly complies with the issuance of AGM notice to the Unitholders. We give more than 28 days' notice prior to the meeting. The number of days of notice provided for the past three years were as follow:

| | 10 th AGM | 11 th AGM | 12 th AGM |
|--|----------------------|----------------------|----------------------|
| Financial Year | 2022 | 2023 | 2024 |
| Date of Notice of AGM | 31 May 2022 | 31 May 2023 | 28 June 2024 |
| Date of AGM | 21 July 2022 | 20 July 2023 | 23 August 2024 |
| Notice period in no. of days (including Saturday, Sunday and Public Holiday) | 50 | 49 | 55 |

Practice 13.2

All Directors are required to attend the AGM to address any questions raised by the Unitholders. All questions raised with responses provided during the AGM are minuted by the Company Secretaries, and posted on the Trust's corporate website for Unitholders' reference.

Practice 13.3

The Trust's 12th AGM on 23 August 2024 was held virtually via RPEV, to facilitate greater Unitholders' participation. The meeting platform was <https://meeting.boardroomlimited.my>, which was broadcasted from Menara Symphony located at Petaling Jaya, Selangor.

Through our outsourced Company Secretaries, we utilise Lumi's technology, which is the dominant player globally in the provision of software and real-time audience engagement technology to facilitate annual general meeting for companies. Lumi's technology runs on a secure dedicated network and encrypted cloud-based servers.

Practice 13.4

The Chairman of the Board together with the Chief Executive Officer interact and provide detailed presentation of the Trust's performance, which includes the long-term business strategies. The Unitholders are given sufficient opportunity to pose questions during the general meeting and all the questions are addressed accordingly. The detailed presentation, as well as the questions and answers are posted in the Trust's corporate website.

Practice 13.5

The general meeting, which was broadcasted from Menara Symphony located at Petaling Jaya, Selangor via <https://investor.boardroomlimited.com>, had all the necessary infrastructure and tools to support the broadcast of the general meeting and Lumi AGM technology had the capability to allow participation and voting by Unitholders. Prior to the AGM, we have issued the Administrative Guide together with the Notice of Meeting to all Unitholders, of which both documents were part of the Annual Report 2024, so that they are aware of the required procedures to participate in the AGM. This was to ensure participation by Unitholders was seamless.

In addition, to ensure the virtual AGM is conducted in an independent and transparent manner, Boardroom Share Registrars Sdn. Bhd. was appointed as the Poll Administrator to conduct the polling process, whereas Commercial Quest Sdn. Bhd. was appointed as an Independent Scrutineer to verify the poll results.

Questions submitted online via meeting platform were moderated before being sent to the Chairman to avoid repetition. MSWG recommended that the independent moderators should be present to moderate the Q&A session in a fair, objective and impartial manner to ensure that all relevant questions are answered. In this regard, we appointed KPMG Management & Risk Consulting Sdn. Bhd. as the Independent Moderator to moderate the questions posted by Unitholders during the Q&A session.

Practice 13.6

The Minutes of the general meeting is made available to all Unitholders within 30 days after the AGM in the Trust's corporate website for their information.

Statement on Risk Management and Internal Control

The Board is pleased to present the Statement on Risk Management and Internal Control in compliance with Chapter 15, Paragraph 15.26(b) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia and in line with the guidance of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (Guidelines) issued by Bursa Malaysia.

Risk Management

The Board with the assistance of the Audit Committee (AC) has established and implemented a sound risk management framework that enables it to continuously identify, evaluate, mitigate and monitor risks that affect the Trust and the Manager in achieving its business objectives within the defined risk parameters and acceptable risk appetite.

We apply the risk management framework as a structured process in establishing risk-based strategies and making decisions across the respective functions, which consist of the following components and are incorporated within the Risk Profile:

- Business model, objectives, and strategies.
- Assessment of the internal and external environment.
- Identification of events that may affect the business objectives and strategies.
- Assessment of inherent risks within the business.
- Establishment of appropriate risk responses.
- Ensuring control activities operate effectively.
- Ensuring accurate and sufficient information and communication.
- Monitoring the effectiveness of the framework and reporting to the Board.

The Risk Profile is reviewed by the AC on a half yearly basis. In this respect, the AC assists the Board in providing independent oversight of risk management.

The risk management process is integrated with the business processes, enabling proper risk management at the operational level of each property, as well as at the Trust's level. Risks identified are systematically evaluated with proper mitigating actions in place developed to manage the risks to an acceptable level and monitored on a continuous basis.

The RMC at senior management level was established to assist the AC in assessing the adequacy of internal control and risk management. RMC comprises the Chief Executive Officer and Heads of Departments of the Manager. The RMC performs the following roles:

- Review the adequacy and effectiveness of the risk management processes and system;
- Review and present to the AC and Board, the broad terms of risk guidelines and risk appetite of the Trust on a periodic basis;
- Review identified key risks and the mitigating controls of the Trust's operations;
- Guide staff in identifying, evaluating, and managing key risks; and
- Report to the AC and Board on material and pervasive findings, which exceeded the risk appetite and make appropriate recommendations.

The Risk Management Framework encompasses, amongst others, the functional roles and responsibilities established for the management of risk, covering the First Line of Defence (FLOD), Second Line of Defence (SLOD) and Third Line of Defence (TLOD). The FLOD comprises the Business Operational Controls Officer (BOC) and coordinators appointed for each functional department of the Manager.

The objectives of the establishment of FLOD are:

- To establish personnel who are competent and appreciative of risk management principles within the business;
- To enhance accountability within the business in executing risk management controls within their span of authority; and
- To promote proactive risk management culture in the business

The SLOD is the enterprise-wide operational risk management, which was established at AmBank Group's level that entails establishment of an independent operational risk management function, which includes implementation and review of its operational risk measurement and methodology. It also encompasses the Compliance function, which has been established in the organisation.

GIAD of AmBank Group forms the TLOD, which independently evaluates and assesses the adequacy and effectiveness of the designed risk management process by conducting regular reviews on the activities and processes.

Business Continuity Plan

We have an established Business Continuity Plan (BCP) to ensure disruption to the business activities are mitigated in the event of an unfavourable incident. The BCP is in place for staff's reference and regularly tested to ensure its effectiveness.

Internal Control

The Board has established an internal audit function, which is undertaken by GIAD. The Board recognises the need for a sound and effective internal control system as one of the key priorities for an effective corporate governance culture.

The Board is also committed to maintain a sound and effective system of internal control, which consists of policies and procedures designed to provide reasonable assurance to the Board that the Trust will achieve its objectives to safeguard the interests of the Unitholders, including reliability of financial reporting, compliance with applicable laws and regulations and effectiveness and efficiency of operations. These policies and procedures are regularly reviewed and updated to reflect changes in the business and regulatory requirements. Changes in the policies and procedures are communicated to the management and other affected stakeholders in a timely manner upon approval by the Board.

The system provides reasonable but not absolute assurance against material misstatement of management and financial information, financial losses, fraud, and the occurrence of unforeseeable circumstances. As part of the effective and ongoing

internal control and governance processes, we review the adequacy and effectiveness of its internal control systems to ensure it remains relevant, effective, and able to meet the ongoing changes and challenges faced by the Trust. This involves reviewing for improvement opportunities in the areas of financial, operational and compliance controls. We take cognisance of recommendations, if any, made for the Trust by the external auditors, Messrs. Ernst & Young PLT (EY), and GIAD in respect of the accounting and operational controls in their audit reports issued during the financial year. Recommendations by the said parties are implemented accordingly where required to enhance internal controls.

Internal Audit Function

GIAD operates under a charter from the AC that gives it unrestricted access to the Manager's personnel, premises, documents, records, information, and is authorised to obtain such information and explanations considered necessary to fulfil and discharge its responsibilities. The Group Chief Internal Auditor reports directly to the AC.

GIAD conducts independent risk-based audits in accordance with an audit plan, which is established based on the risk assessment of all activities undertaken by the Manager. The risk-based audit plan is reviewed annually, taking into account the changing business and risk environment. The AC reviews and approves the annual audit plan of GIAD.

The main objective of the audit reviews is to assess the adequacy and effectiveness of the Manager's system of internal control and risk management. When required, GIAD also undertakes special reviews or investigations as directed by the AC. Audit findings, recommendations and the Manager's action plans highlighted in audit reports are tabled to the AC. GIAD conducts follow-up and reports to the AC on the status of implementation of management action plans arising from the internal audit reports.

The AC reviews the internal audit reports and activities in its quarterly AC meetings as presented by GIAD. The AC is of the view that the Internal Audit team is adequately resourced to perform its functions and has maintained its independence from the activities that it audits.

Statement on Risk Management and Internal Control

External Auditors

The Board maintains a transparent relationship throughout their association with the external auditors. The appointment of external auditors, who were nominated by the Manager, is approved by the Trustee. The external auditors appointed must be independent of the Manager and the Trustee. The remuneration of the external auditors is approved by the Trustee based on the Manager's recommendation.

As part of the external auditors' audit of the financial statements, the external auditors obtain an understanding of internal controls sufficient for their planning of the audit and to assist in their expression of an opinion on the financial statements of the Trust as a whole. Any significant deficiencies and material weaknesses identified during the audit are communicated to the AC. As part of continuous refinement of the Trust's internal control system, the AC reviews the effectiveness of measures taken by the Manager in response to those significant deficiencies and material weaknesses identified, if there are any.

The Trustee had appointed EY as the external auditors to conduct the statutory audit for the FY2025 with the recommendation from the Manager. EY had provided a written confirmation to the AC that there is no relationship between them, the Trust, or the Manager, which may impair their independence.

Compliance Officer

We have a designated Compliance Officer who reports to the Board in compliance with the SC's Listed REITs Guidelines. The Compliance Officer works towards ensuring the compliance with all regulations and guidelines issued by SC, Bursa Malaysia, Trust Deed as well as internal policies and procedures, which are applicable to the Trust and the Manager.

The Compliance Officer plays a pivotal role in advising the key management staff on regulatory matters, as well as internal policies and procedures in their day-to-day activities. In addition, the incumbent employs the Group's resources and collaborates closely with the Group Compliance and Group Operational Risk Department in respect of compliance and risk matters. It is an advantage that we are able to utilise the Group's expertise and resources on compliance and risk methodology for the benefit of the Trust.

Dealings with Related Parties

In general, we have to ensure that related party transactions are undertaken in compliance with the SC's Listed REITs Guidelines, the Deed, and the MMLR. Such transactions are to be carried out at arm's length basis based on normal commercial terms and shall not be prejudicial to the interest of the Trust and its Unitholders.

In respect of such transactions, the management would have to demonstrate to the AC that the transactions are undertaken on normal commercial terms, which may include (where applicable) obtaining quotations from parties unrelated to the Manager or obtaining a valuation from an independent valuer. All related party transactions are subject to review by the AC prior to Board's notation.

All related party transactions carried out by or on behalf of the Trust should be:

- (i) at arm's length basis and on normal commercial terms;
- (ii) in the best interests of the Unitholders;
- (iii) adequately disclosed to the Unitholders in accordance with MMLR; and
- (iv) in relation to a real estate transaction:
 - (a) consented by the Trustee;
 - (b) consistent with the investment objective and strategy of the Trust;
 - (c) transacted at a price that is supported by valuation report;
 - (d) transacted at a price assessed in accordance with the Deed as follows:
 - for acquisitions: not more than one hundred and ten percent (110%) the value assessed in the valuation report; and
 - for disposal: not less than ninety percent (90%) of the value assessed in the valuation report.

The Board members will consider the Trust's best interest in relation to decision affecting it when they vote at the Board meetings. In addition, the Directors, Chief Executive Officer and management of the Manager are expected to act with honesty and integrity at all times.

Role of the Audit Committee on Related Party Transactions

The AC together with the management reviews the related party transactions to ensure compliance with the internal control procedures, relevant provisions of the Deed, SC's Listed REITs Guidelines, and the MMLR. The review includes examination of the nature of the transaction and the supporting documents, or such other information deemed necessary by the AC. If a member of the AC has an interest in a transaction, he or she is to disclose and abstain from participating in the review and the recommendation process in relation to the transaction. The related party transactions for the FY2025 are as disclosed in Note 28 of the notes to the financial statements within this annual report.

Management of Conflict of Interest

The Management of Conflict of Interest Policy outlines our commitment in meeting our fiduciary obligations in managing situations that gives rise to conflict of interest. All employees and directors shall not place his or her personal interests before the interests of the Trust or the Manager where such personal interests unduly influence business judgement, decisions or actions. During the reporting period, we have ensured that all key management staff sign-off quarterly self-declaration form disclosing matters concerning of conflict of interest. The exercise creates awareness among the key staff in identifying, preventing, as well as managing such conflict of interests, if any.

The Directors of the Manager are under a fiduciary duty to the Trust to act in its best interests in relation to decisions affecting the Trust when they are voting as members of the Board.

Under the Deed, the related parties of the Manager (as defined in the Deed) are prohibited from voting at, or being part of a quorum for, any meeting of the Unitholders convened to approve matter or business, if the related parties have interest in the outcome of a transaction, which is different from the interest of other Unitholders.

All transactions carried out for or on behalf of the Trust are executed on commercial terms and are no less favourable than arm's length transactions between independent parties. The Manager and the Trustee will avoid conflict of interests from arising or if conflict arises, will ensure that the Trust is not disadvantaged by the transaction concerned.

Save for Directors' interests in the Trust (as disclosed on the Manager's Report) and the transactions with companies related to the Manager (as disclosed in Note 28 of the notes to the financial statements within this annual report), no conflict of interest has arisen during the financial year under review.

Trading in AmFIRST REIT's Units by Directors and Employees

We adopt best practices and issues notices to our directors and employees, which prohibit dealings in AmFIRST REIT's units while in possession of material unpublished price sensitive information. Under the MMLR, the Directors and employees of the Manager are prohibited from dealing in AmFIRST REIT's units during the period commencing 30 calendar days before the targeted date of announcement of the Trust's quarterly results to Bursa Malaysia up to the date of announcement of the Trust's quarterly results. However, in contrast to MMLR's 30 calendar days closed period requirement, we regularly notifies our Directors and employees on the maximum closed period of up to two months, which takes effect immediately on the date after the end of each financial reporting quarter up to the date of announcement.

If any of such affected persons deal in AmFIRST REIT's units during such closed period, they are required to comply with the conditions as set out in the MMLR and the related policies of the Manager. They are also always made aware of the applicability of the insider trading laws and appropriate disclosures of their trading activities, if there are any. There were no dealings in AmFIRST REIT's units during the closed periods by the Directors or employees of the Manager reported during the financial year up to the date of this Report.

Whistleblower Protection

We have a policy in place to provide our employees and members of the public with well-defined and accessible channels to report on suspected fraud, corruption, dishonest practices, or other similar matters relating to the Trust and the Manager. The aim of the policy is to promote whistleblowing in a positive and independent manner, which provides an avenue to escalate concern on improper conduct or transactions and such concerns are being addressed appropriately.

Statement on Risk Management and Internal Control

The policy provides protection to whistleblowers, which includes not only the employees but also any person who provides information, causing information to be provided or otherwise assisting in an investigation regarding improper conduct and / or filing, causing to be filed, testifying, participating in or otherwise assisting in a proceeding filed or about to be filed relating to the violation of policies or legislative requirements.

Anti-Bribery and Corrupt Practices

The Board endorsed The Anti-Bribery and Corrupt Practices Policy (ABCP), which was formulated to ensure the Manager conducts its business conforming to the highest level of integrity and ethics, and all employees comply with the relevant laws and regulations on anti-bribery and corruption. The policy represents AmFIRST REIT and its Manager's stance of zero tolerance to bribery and corruption and serves to protect the Trust and the Manager from financial and reputational loss as a result of regulatory and/or enforcement, censure and action.

The objective of the ABCP is to establish standards and guidance for the Manager to understand and comply with the requirements and obligations imposed under Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009) and Guidelines on Adequate Procedures issued pursuant to subsection (5) of Section 17A of MACC Act 2009, which include amongst others, the five guiding principles under TRUST:

- (i) **T**op level commitment to ensure that the commercial organisation essentially practices the highest level of integrity and ethics;
- (ii) **C**onducting **R**isk Assessment;
- (iii) **U**ndertake control measures;
- (iv) **S**ystematic review, monitoring, and enforcement; and
- (v) **T**raining and communication.

There are robust procedures and controls in place to identify, prevent, monitor, report, and detect attempts to facilitate bribery or corrupt activities.

Conclusion

The Board has received assurance from the Chief Executive Officer, Head of Finance and Compliance Officer that the risk management and internal control system is operating adequately and effectively, in all material aspects.

The external auditors have reviewed this Statement for inclusion in the Annual Report 2025 as required by Paragraph 15.23 of the MMLR of Bursa Malaysia. The external auditors conducted the review in accordance with the Audit and Assurance Practice Guides 3 – Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the annual report (AAPG 3) issued by the Malaysian Institute of Accountants. The review has been conducted to assess whether this Statement is both supported by the documentation prepared by or for the Board and appropriately reflects the processes the Board had adopted in reviewing the adequacy and integrity of the system of internal controls of the Manager. AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the risk and control procedures. AAPG 3 also does not require the external auditors to consider whether the processes described to deal with material internal control aspects of any significant matters disclosed in the annual report will, in fact, mitigate the risks identified or remedy the potential problems. Based on their review, the external auditors have reported to the Board that nothing had come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes the Board has adopted in the review of the adequacy and effectiveness of the risk management and internal control.

The Board is of the view that the system of internal control and risk management for the year under review and up to the date of approval of this Statement is in place, sound and provides a level of confidence on which the Board relies for assurance.

Audit Committee Report

An Audit Committee (AC) was established by the Board to assist the Manager in fulfilling its statutory and fiduciary responsibilities relating to internal controls, financial reporting and reviewing policies, as well as to carry out certain oversight functions on behalf of the Board with the main objective of protecting the interests of the Unitholders. As of this report date, the AC comprises four members, all of whom are Non-Executive Directors, of which three members are Independent Directors. The AC Chairman is an Independent Non-Executive Director.

Composition and Meeting Attendance

AC meets at quarterly intervals or such other intervals as the AC shall decide. The quorum necessary for the transaction of the business of the AC shall be two members. A total of four meetings were held during FY2025. The attendance of the AC members to the AC meetings held for the FY2025 were as follows:

| Name | Designation | Number of Meeting | % of Attendance |
|-------------------------------------|---|-------------------|-----------------|
| Dato' Wong Nam Loong | Chairman / Independent Non-Executive Director | 4/4 | 100 |
| Dato' Abdullah Thalith Bin Md Thani | Independent Non-Executive Director | 4/4 | 100 |
| Jas Bir Kaur A/P Lol Singh | Independent Non-Executive Director | 4/4 | 100 |
| Soo Kim Wai | Non-Independent Non-Executive Director | 4/4 | 100 |

The primary roles and responsibilities of the AC are to monitor and evaluate the effectiveness of the Trust and the Manager's internal controls and to ensure that the financial statements comply with the applicable financial reporting standards. The Board is of the view that the AC members have the relevant expertise to discharge the functions of an AC.

The AC has a set of Terms of Reference defining its scope of authority, in relation to its management of the Trust.

Terms of Reference

The AC is governed by the Terms of Reference as listed below:

Primary Roles and Responsibilities

- (i) To provide assistance to review and report to the Board in relation to:
 - (a) fulfilling the statutory and fiduciary responsibilities of the Manager; and
 - (b) monitoring of the accounting and financial reporting practices of the Trust and the Manager.

- (ii) To determine that the Trust and the Manager have adequate established policies, procedures and guidelines, operating and internal controls, and that they are being complied with and are operating effectively in promoting efficiency and proper conduct in the management and protection of the assets of the Trust.

- (iii) To serve as an independent and objective party in the review of the financial information of the Trust that is presented by the Management to the Board.

- (iv) To review the quarterly and annual financial statements of the Trust prior to the approval by the Board in particular, with reference to:
 - (a) changes in or implementation of major accounting policy;
 - (b) significant and unusual events; and
 - (c) compliance with accounting standards and other regulatory requirements.

- (v) To review and approve the scope of audits, audit plans and audit reports of both the external and internal auditors.

Audit Committee Report

- (vi) To evaluate the adequacy and effectiveness of the Manager's control systems through the review of the reports of both the external and internal auditors that highlight internal accounting, organisational and operating control weaknesses and to determine that appropriate corrective actions are being taken by the Manager.
- (vii) To ensure the adequacy of the scope, functions and resources of the internal audit functions and that they have the necessary authority to carry out their works.
- (viii) To ensure thorough discussions with the external and internal auditors, that no restrictions are being placed by the Manager and employees of the Manager on the scope of their examinations.
- (ix) To direct and supervise any special project or investigation, which is considered necessary.
- (x) To prepare, when necessary, periodic reports to the Board summarising the work performed in fulfilling the AC primary responsibilities.
- (xi) To review any related party transaction and conflict of interest situation that may arise including any transaction, procedure or course of conduct that raises questions of the Manager's integrity.
- (xii) To review the annual appointment of the external auditors, or letter of resignation from external auditors, to negotiate and approve the annual audit fees and / or special audit fees and evaluate basis of billings therewith.
- (iii) Deliberated on GIAD's reports and audit recommendations, management's responses and status of resolution of the audit issues and recommendations highlighted, to ensure management had taken prompt and effective corrective actions to address the issues reported.
- (iv) Reviewed and approved the external auditor's audit plan for the year (inclusive of risk and audit approach, system evaluation, audit fees and issues raised, and the Manager's responses) prior to the commencement of the annual statutory audit. The external auditors had one private session with the AC without the presence of management, giving the AC and external auditors an opportunity to deliberate confidential matters that might not have been specifically asked in the formal part of the AC meeting.
- (v) Reviewed the financial statements, audit report, issues and reservations arising from the statutory audit with the external auditors.
- (vi) Reviewed and discussed the financial performance with the management.
- (vii) Reviewed the quarterly results and financial statements of the Trust for recommendation to the Board for approval before release to Bursa Malaysia.
- (viii) Reviewed quarterly compliance reports to ensure regulatory requirements, internal policies, as well as procedures are adhered to.

Summary of Activities of the AC

The activities of the AC for FY2025 were as listed below:

- (i) Reviewed the adequacy and effectiveness of the internal control systems through the risk management framework, compliance and internal audit activities to ensure there is a systematic methodology to identify, assess and mitigate risk areas.
- (ii) Reviewed the adequacy of the scope, functions, its methodology and resources of GIAD, deliberated on and approved GIAD's Annual Audit Plan.
- (ix) Reviewed and endorsed all related party transactions entered into by the Trust.
- (x) Reviewed overall risk management matters including risk profile register to ensure adequate measures are in place to manage the risks.
- (xi) Reported to the Board on the significant issues and concerns discussed during the AC meetings, together with applicable recommendations. Minutes of the AC meetings were tabled and noted by the Board.
- (xii) Reviewed and recommended the reappointment of external auditors to the Board for approval.

- (xiii) Reviewed and noted the key amendments to the revised Securities Commission's Licensing Handbook (18th Revision) issued on 1 October 2024.
- (xiv) Reviewed and noted updates on Bursa Malaysia's MMLR in relation to the following subject matter:
 - (a) *Conflict of Interest (COI)*
Bursa Malaysia updated the Issuers Communication Note No. 1/2023 - Guidance on Conflict of Interest by providing "Questions and Answers" to clarify expectations on conflicted directors.
 - (b) *Sustainability Reporting Requirements*
Aligning the sustainability reporting framework with the National Sustainability Reporting Framework.
 - (c) *Shareholder Participation in General Meetings*
Promoting shareholder participation in general meetings of listed issuers by requiring physical or hybrid meetings.
- (xv) Reviewed conflict of interest situation that may arise, including any transaction, procedure or course of conduct that raises a question of the Manager's integrity. Pursuant to MMLR's paragraph 15.15(3)(f), during the financial year there was no transaction that involves COI nor there was any potential COI situation, except those that has already been disclosed as related party transactions in the Note 28 of the notes to the financial statements within this annual report.
- (v) GIAD's activities conform with the Institute of Internal Auditors (IIA)'s International Standards for the Professional Practice of Internal Auditing, as well as standards and requirements set out by the relevant Regulators, such as BNM and the Securities Commission Malaysia on the internal audit function.
- (vi) GIAD focuses its efforts in accordance with the Annual Audit Plan (AAP) approved by the AC, and the main objective of the audit reviews are to assess the adequacy and effectiveness of the risk management and systems of internal controls governing the activities carried out by the Manager.
- (vii) GIAD undertook the following activities during FY2025:
 - (a) Determined and assessed the risk in all areas of activities of the Manager and the Trust and established the AAP, which sets out the key areas of audit focus and emphasis.
 - (b) Undertook and completed the planned audit review as set out in the AAP to provide an independent assessment and objective assurance on the adequacy and effectiveness of governance, risk management and internal controls over the business activities and operations.
 - (c) Prepared the audit report on the results of the review, incorporating the overall assessment and conclusion of the review, detailed audit observations, recommendations to enhance existing processes and internal controls and management's responses on the agreed action plan to address the recommendations.
 - (d) The audit report was discussed with the management, tabled and deliberated at the AC meeting.
 - (e) Performed follow-up with the management on the status of resolution of audit issues and recommendations, and tabled updates on the status at each AC meeting, until full resolution of the issues highlighted.

Internal Audit

- (i) The internal audit function is undertaken by AmBank (M) Berhad's GIAD, headed by the Group Chief Internal Auditor (GCIA), En. Shamsul Bahrom Bin Mohamed Ibrahim.
- (ii) The GCIA does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Manager.
- (iii) GIAD is independent of the activities and operations of the Manager, and reports directly to the AC.
- (iv) GIAD operates under an audit charter mandated by the AC, which gives it unrestricted access to review all activities of the Manager.

Directors' Responsibility Statement

The Board is responsible to ensure that the financial statements for the FY2025 have been prepared and drawn out in accordance with the Malaysian Financial Reporting Standards in Malaysia, International Financial Reporting Standards, applicable provisions of the Deed of AmFIRST REIT and the SC's Listed REITs Guidelines, so as to give a true and fair view of the financial position of AmFIRST REIT as at 31 March 2025 and of its financial performance and cash flows for the financial year then ended.

In preparing the financial statements for the FY2025, the Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- Ensured that the financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards; and
- Prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Trust have adequate resources to continue in operational existence for the foreseeable future.

The Directors of the Manager are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of AmFIRST REIT. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

Manager's Report

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

The Board 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 2025.

THE TRUST, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The Trust was constituted pursuant to the execution of a Deed dated 28 September 2006 ("Original Deed") (as amended by the First Supplemented, Revised and Restated Trust Deed dated 15 December 2006 ("First Deed"), the Second Restated Deed dated 13 September 2013 ("Second Deed") and the Third Restated Deed dated 12 June 2020 ("Third Deed" or the "Deed")) by the Manager and the Trustee, Maybank Trustees Berhad. The Third Deed superseded the Original Deed, the First Deed and the Second Deed.

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.

AmREIT, the Manager of AmFIRST REIT, is a private limited liability company incorporated and domiciled in Malaysia. AmREIT is principally involved in the business of managing real estate investment trusts.

AmREIT, is a wholly-owned subsidiary of AmREIT Holdings, incorporated in Malaysia. AmREIT Holdings is 70% owned by AIGB and 30% owned by AmProp. AmProp is a 100% owned subsidiary of Amcorp, which is also a substantial shareholder of AMMB, the ultimate holding company of AmREIT

MANAGER'S FEES AND COMMISSION

Pursuant to the Deed, the Manager is entitled to receive from the Trustee out of the assets of the REIT, a base fee (excluding any taxes payable) of up to 0.5% per annum of the total asset value and a performance fee (excluding any taxes payable) of 3% per annum of the net rental income, but before deduction of property management fees. During the financial year ended 31 March 2025, the Manager's fee consists of base fee of 0.3% (FY2024 : 0.3%) per annum and performance fee of 3.0% (FY2024 : 3.0%) per annum.

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 REIT 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 REIT (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 REIT.

MATERIAL LITIGATION

There is no material litigation pending since the issuance of the last annual report up to the date of this report except for one as disclosed in Note 32 to the Financial Statements at pages 209 to 211.

CHANGES IN THE STATE OF AFFAIRS

There was no change in the state of affairs of the Trust during the financial year under review.

MATERIAL CONTRACT

There was no material contract entered by the Trust that involved the Directors of the Manager or major Unitholders of the Trust during the financial year under review.

Manager's Report

DIRECTORS OF THE MANAGER

The Directors of the Manager in office since the date of the last report and at the date of this report are:-

Soo Kim Wai
Dato' Wong Nam Loong
Dato' Abdullah Thalith Bin Md Thani
Jas Bir Kaur A/P Lol Singh
Azlan Baqee Bin Abdullah
Yap Huey Wen

DIRECTORS' BENEFITS

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 are accrued from the fees 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 the Director of the Manager or with a firm in which the Director of the Manager is a member, or with a company in which the Director of the Manager has substantial financial interest, other than related party transactions as shown in Note 28 to the financial statements of the Trust.

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 of the Manager might acquire benefits by means of acquisition of shares or debentures of the Manager or any other body corporate, other than those arising from the scheme shares and options granted pursuant to the Executives' Share Scheme of AMMB, the ultimate holding company, or the acquisition of units of the Trust.

DIRECTORS' INTEREST

None of the Directors of the Manager in office at the end of the financial year had any interest in the Trust during the financial year ended 31 March 2025.

SANCTION AND/OR PENALTIES

There was no public sanction and/or penalty imposed on the Trust and the Directors of the Manager by the relevant regulatory bodies during the financial year ended 31 March 2025.

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR SUBSTANTIAL UNITHOLDERS

None of the Directors of the Manager has any family relationship with any other Directors or major Unitholders of AmFIRST REIT.

CONFLICT OF INTEREST

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

CONVICTIONS FOR OFFENCES (OTHER THAN TRAFFIC OFFENCES)

None of the Directors has been convicted for offences within the past five years.

AUDIT AND NON-AUDIT FEE

The amount of audit and non-audit fees paid or payable to the external auditors for the financial year ended 31 March 2025 are as follows:

| | FY2025 |
|----------------|--------|
| Audit Fee | 68,000 |
| Non-Audit Fees | 11,000 |

OTHER STATUTORY INFORMATION

- (a) Before the statement of financial position and statement of comprehensive income of the Trust were made out, the Directors 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 bad debts and that no provision for doubtful debts was necessary; and
 - (ii) to ensure that any current asset which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Trust which would render:
- (i) it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Trust; and
 - (ii) the values attributed to current assets in the financial statements of the Trust misleading.
- (c) At the date of this report, the Directors are 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 Directors are not aware of any circumstances not otherwise dealt with in this report or 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, other than those arising in the normal course of the business of the Trust.
- (f) In the opinion of the Directors of the Manager:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Trust to meet its obligations as and when they fall due;
 - (ii) the results of the operations of the Trust for the financial year ended 31 March 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) 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.

Manager's Report

AUDITORS

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

To the extent permitted by law, the Trust has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

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

SOO KIM WAI

Kuala Lumpur, Malaysia
Date: 20 May 2025

AZLAN BAQEE BIN ABDULLAH