

Annual Report for

# AmAsia Pacific REITs

31 August 2023



**AmInvest**

Growing Your Investments in a Changing World

## TRUST DIRECTORY

### **Manager**

AmFunds Management Berhad  
9<sup>th</sup> & 10<sup>th</sup> Floor, Bangunan AmBank Group  
55 Jalan Raja Chulan  
50200 Kuala Lumpur

### **Board of Directors**

Jeyaratnam A/L Tamotharam Pillai  
Tai Terk Lin  
Ng Chih Kaye  
Jas Bir Kaur A/P Lol Singh  
Goh Wee Peng

### **Investment Committee**

Jas Bir Kaur A/P Lol Singh  
Tracy Chen Wee Keng  
Goh Wee Peng

### **Trustee**

Deutsche Trustees Malaysia Berhad

### **Auditors and Reporting Accountants**

Ernst & Young PLT

### **Taxation Adviser**

Deloitte Tax Services Sdn Bhd

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## MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the audited accounts of AmAsia Pacific REITs ("Fund") for the financial year ended 31 August 2023.

### Salient Information of the Fund

<b>Name</b>	AmAsia Pacific REITs ("Fund")
<b>Category/ Type</b>	Fund-of-Funds / Income and Growth
<b>Objective</b>	<p>The Fund aims to provide regular income* and to a lesser extent capital appreciation over the medium to long-term by investing in real estate investment trusts (REITs).</p> <p><i>Note:</i> <i>*The income could be in the form of units or cash.</i> <i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
<b>Duration</b>	<p>The Fund was established on 18 July 2011 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interest of the unitholders for it to continue. In some circumstance, the unitholders can resolve at a meeting to terminate the Fund.</p>
<b>Performance Benchmark</b>	<p>S&amp;P Pan Asia REITs Index. (Available at <a href="http://www.aminvest.com">www.aminvest.com</a>)</p> <p><i>Note:</i> <i>*The risk profile of the performance benchmark is not the same as the risk profile of the Fund.</i></p> <p><i>The S&amp;P Pan Asia REITs Index (the "Index") is a product of S&amp;P Dow Jones Indices LLC ("SPDJL"), and has been licensed for use by AmFunds Management Berhad. S&amp;P® is a registered trademark of S&amp;P Global ("S&amp;P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); AmAsia Pacific REITs are not sponsored, endorsed, sold or promoted by SPDJL, Dow Jones, S&amp;P, any of their respective affiliates (collectively, "S&amp;P Dow Jones Indices"). S&amp;P Dow Jones Indices makes no representation or warranty, express or implied, to the owners of the AmAsia Pacific REITs or any member of the public regarding the advisability of investing in securities generally or in AmAsia Pacific REITs particularly or the ability of the S&amp;P Pan Asia REITs Index to track general market performance. S&amp;P Dow Jones Indices' only relationship to AmFunds Management Berhad with respect to the S&amp;P Pan Asia REITs Index is the licensing of the Index and certain trademarks, service marks and/or trade names of S&amp;P Dow Jones Indices and/or its licensors. The S&amp;P Pan Asia REITs Index is determined, composed and calculated by S&amp;P Dow Jones Indices without regard to AmFunds Management Berhad or the AmAsia Pacific REITs. S&amp;P Dow Jones Indices have no obligation to take the needs of AmFunds Management Berhad or the owners of AmAsia Pacific REITs into consideration in determining, composing or calculating the S&amp;P Pan Asia REITs Index. S&amp;P Dow Jones Indices are not responsible for and have not participated in the determination of the prices, and amount of AmAsia Pacific REITs or the timing of the issuance or sale of AmAsia Pacific REITs or in the determination or calculation of the equation by which AmAsia Pacific REITs is to be converted into cash, surrendered or redeemed, as the case may be. S&amp;P Dow Jones Indices have no</i></p>

	<i>obligation or liability in connection with the administration, marketing or trading of AmAsia Pacific REITs. There is no assurance that investment products based on the S&amp;P Pan Asia REITs Index will accurately track index performance or provide positive investment returns. S&amp;P Dow Jones Indices LLC is not an investment advisor. Inclusion of a security within an index is not a recommendation by S&amp;P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.</i>
<b>Income Distribution Policy</b>	<p><b><u>Class B (MYR)</u></b></p> <p>Subject to availability of income, distribution is paid at least once a year and will be paid in the form of cash or units.</p> <p><i>Note: Income distribution amount (if any) for each of the Classes would be different subject to sole discretion of the Manager.</i></p>

## Fund Performance Data

<b>Portfolio Composition</b>	Details of portfolio composition of the Fund as at 31 August are as follows:		
	<b>As at 31 August</b>		
	<b>2023</b> %	<b>2022</b> %	<b>2021</b> %
REITs	91.56	89.54	85.37
Money market deposits and cash equivalents	8.44	10.46	14.63
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>		
<b>Performance Details</b>	Performance details of the Fund for the financial years ended 31 August are as follows:		
	<b>FYE 2023</b>	<b>FYE 2022</b>	<b>FYE 2021</b>
Net asset value (RM)*	229,673,193	270,033,023	286,762,361
Units in circulation*	348,007,390	362,245,300	335,587,916
Net asset value per unit (RM)*	0.6600	0.7454	0.8545
Highest net asset value per unit (RM)*	0.7483	0.8649	0.8854
Lowest net asset value per unit (RM)*	0.6520	0.7312	0.7536
Benchmark performance (%)	-7.84	-14.00	16.28
Total return (%) <sup>(1)</sup>	-10.80	-7.82	12.83
- Capital growth (%)	-11.52	-12.50	8.16
- Income distribution (%)	0.72	4.68	4.67
Gross distribution (sen per unit)	0.84	4.01	3.70
Net distribution (sen per unit)	0.54	4.00	3.70
Total expense ratio (%) <sup>(2)</sup>	1.60	1.64	1.63
Portfolio turnover ratio (times) <sup>(3)</sup>	0.20	0.46	0.47
	* Above prices and net asset value per unit are shown as ex-distribution.		

Note:

- (1) Total return is the actual return of the Fund for the respective financial years computed based on the net asset value per unit and net of all fees.
- (2) Total expense ratio (“TER”) is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis. The TER decreased by 0.04% as compared to 1.64% per annum for the financial year ended 31 August 2022 mainly due to decrease in expenses.
- (3) Portfolio turnover ratio (“PTR”) is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The decrease in the PTR for 2023 and 2022 were due mainly to investing activities.

**Average Total Return (as at 31 August 2023)**

Class B (MYR)	AmAsia Pacific REITs <sup>(a)</sup> %	S&P Pan Asia REITs Index <sup>(b)</sup> %
One year	-10.80	-7.84
Three years	-2.47	-2.69
Five years	1.06	-1.32
Ten years	5.58	3.46

**Annual Total Return**

Financial Years Ended (31 August) Class B (MYR)	AmAsia Pacific REITs <sup>(a)</sup> %	S&P Pan Asia REITs Index <sup>(b)</sup> %
2023	-10.80	-7.84
2022	-7.82	-14.00
2021	12.83	16.28
2020	-3.32	-15.20
2019	17.55	19.72

(a) Source: Novagni Analytics and Advisory Sdn. Bhd.

(b) S&P Pan Asia REITs Index (Available at [www.aminvest.com](http://www.aminvest.com)).

The Fund performance is calculated based on the net asset value per unit of the Fund. Average total return of the Fund and its benchmark for a period is computed based on the absolute return for that period annualised over one year.

**Note: Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.**

**Fund Performance**

Class B (MYR)

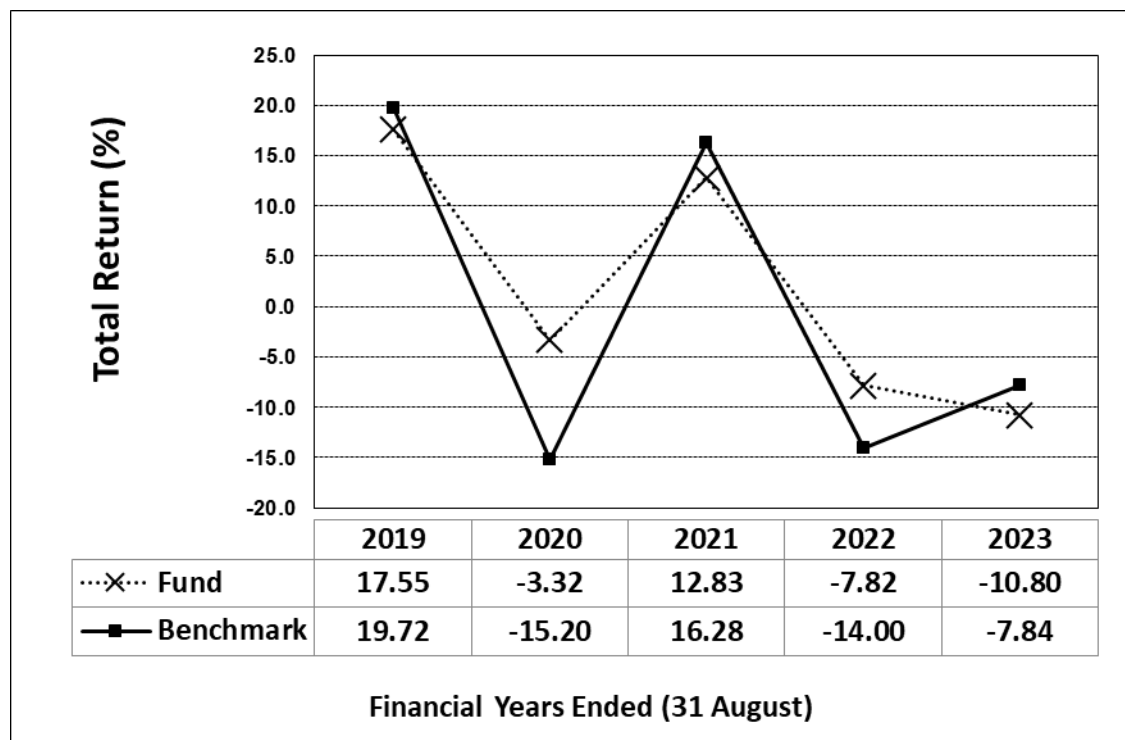
For the financial year under review, the Fund registered a negative return of 10.80%<sup>(a)</sup> comprising of negative 11.52% capital and 0.72% income distribution.

Thus, the Fund’s negative return of 10.80% has underperformed the benchmark’s negative return of 7.84% by 2.96%.

As compared with the financial year ended 31 August 2022, the net asset value (“NAV”) per unit of the Fund decreased by 11.46% from RM0.7454 to RM0.6600, while units in circulation decreased by 3.93% from 362,245,300 units to 348,007,390 units.

(a) Price based on published price (last business day).

The following line chart shows comparison between the annual performances of AmAsia Pacific REITs Class B (MYR) and its benchmark, S&P Pan Asia REITs Index, for the financial years ended 31 August.



**Note: Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.**

### Strategies and Policies Employed

For the financial year under review, the Fund achieved its investment objective, where 85% to 98% of the Fund's Net Asset Value ("NAV") was invested in REITs listed in the Asia Pacific region. In addition to country diversification, the Fund also diversified its REITs sector exposure in the residential, commercial and industrial segments. The Fund holds between 2% to 15% of its NAV in liquid assets. These strategies will continue to be applied going forward. The Manager employs an active allocation strategy, which means the asset allocation decisions will be made after reviewing the macroeconomic trends and REITs market outlook of the respective countries in the Asia Pacific region. The Manager will be targeting REITs with strong track records in generating regular income returns and which have potential for capital growth. In evaluating the suitability of a REIT, the Manager, amongst other factors, will review the track record, investment portfolio, financial status, income distribution policy and cost factors of the REITs.

In an adverse market condition, the Manager may increase its asset allocation to lower risk assets such as liquid assets to safeguard the investment of the Fund. During such period, the Fund's investment may differ from the stipulated investment strategy.

The Fund is actively managed. However, the frequency of its trading strategy will depend on investment opportunity.

<b>Portfolio Structure</b>	<p>The table below is the asset allocation of the Fund as at 31 August 2023 and 31 August 2022.</p> <table border="1" data-bbox="328 217 1442 459"> <thead> <tr> <th></th> <th>As at 31.08.2023 %</th> <th>As at 31.08.2022 %</th> <th>Changes %</th> </tr> </thead> <tbody> <tr> <td>REITs</td> <td>91.56</td> <td>89.54</td> <td>2.02</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td>8.44</td> <td>10.46</td> <td>-2.02</td> </tr> <tr> <td><b>Total</b></td> <td><b>100.00</b></td> <td><b>100.00</b></td> <td></td> </tr> </tbody> </table> <p>For the financial year under review, the Fund invested 91.56% of its NAV in REITs and the remaining balance of 8.44% was held in money market deposits and cash equivalents.</p>		As at 31.08.2023 %	As at 31.08.2022 %	Changes %	REITs	91.56	89.54	2.02	Money market deposits and cash equivalents	8.44	10.46	-2.02	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	
	As at 31.08.2023 %	As at 31.08.2022 %	Changes %														
REITs	91.56	89.54	2.02														
Money market deposits and cash equivalents	8.44	10.46	-2.02														
<b>Total</b>	<b>100.00</b>	<b>100.00</b>															
<b>Securities Lending / Repurchase Transactions</b>	<p>The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).</p>																
<b>Cross Trade</b>	<p>There were no cross trades undertaken during the financial year under review.</p>																
<b>Distribution/ Unit split</b>	<p>During the financial year under review, the Fund declared income distribution for Class B (MYR), detailed as follows:</p> <table border="1" data-bbox="328 1001 1442 1142"> <thead> <tr> <th>Date of distribution</th> <th>Distribution per unit RM (sen)</th> <th>NAV per unit Cum-Distribution (RM)</th> <th>NAV per unit Ex-Distribution (RM)</th> </tr> </thead> <tbody> <tr> <td>23-Aug-23</td> <td>0.54</td> <td>0.6627</td> <td>0.6573</td> </tr> </tbody> </table> <p>There is no unit split declared for the financial year under review.</p>	Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)	23-Aug-23	0.54	0.6627	0.6573								
Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)														
23-Aug-23	0.54	0.6627	0.6573														
<b>State of Affairs</b>	<p>There has been neither significant changes to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review.</p>																
<b>Rebates and Soft Commission</b>	<p>During the year, the management company received soft commissions by virtue of transactions conducted for the Fund, in the form of research services, systems and services relating to performance measurement of portfolios and subscription fees for fund’s benchmark indices. All of these assist in the investment decision making process which are of demonstrable benefit to unitholders of the Fund.</p> <p>The company has soft commission arrangement with a total of 12 brokers, who execute trades for the Fund and other funds or investments managed by the company. The soft commission received would be in the form of research services, systems and services relating to performance measurement of portfolios and/or subscription fees for fund’s benchmark indices. All of these assist in the investment decision making process which are of demonstrable benefit to unitholders of the Fund and other funds or investments managed by the company.</p> <p>Soft commissions received were for the benefit of the Fund and there was no churning of trades.</p>																



<b>Market Review</b>	<p>Global real estate market slowed in 2022, as higher interest rates and inflation coupled with lower economic growth weighed on investment performance. As global central banks hiked interest rates aggressively to counter the run-away inflation, that impacted real estate investments across different segments and countries.</p> <p>Office has been the weakest sector, since the start of 2022 until now. This is especially more prevalent in the United States (US) where the market has been hit hard by the shift to Work from Home (WFH) trend and had also entered the pandemic period with elevated vacancy rates, which have increased sharply subsequently. Combined with rising refinancing rates, the weaker operational outlook has caused asset valuations to be revised much lower.</p> <p>Meanwhile the industrial property, the overall outperformer sector since the onset of the COVID-19 pandemic, was weak in 2022 but recovered strongly in Year to Date (YTD) 2023 and remained well placed across most major global markets, with lower levels of vacancy and superior growth in net operating income relative to the other core sectors.</p> <p>The rise in benchmark rates dominated 2022; as we moved into 2023, the banking crisis added further upward pressure to the cost of capital, as higher credit spreads need to be factored into the cost of debt in real estate appraisals. While the acute stage of that risk seems to have passed, stickier inflation has once again seen benchmark rates rise, resulting in further downside in the sector.</p> <p>Retail segment benefitted from continuing recovery in footfall and tenant sales and as a result, absorption was positive in the US, leasing was healthy across Asia Pacific, and demand rose in several European cities in 2023 so far.</p> <p>Property development market was weak due to low buyer confidence, especially in the case of China, and the rising funding cost for both developers and buyers. In China, 9M23 combined contract sales from the top 100 developers declined 12% Year over Year (YoY).</p>
<b>Market Outlook</b>	<p>Real estate investment activities are set to remain muted as rates stay high for longer and demand unlikely recovering soon due to the weak global economy outlook. Organisation for Economic Co-operation and Development (OECD) warned the world economy is set for a slowdown as interest-rate increases weigh on activity and China's pandemic rebound disappoints, as it recently downgraded world 2024 growth forecast by -20bps to +2.7%.</p> <p>Nonetheless, investment sentiment in the sector will improve once interest rates start easing. We will position the portfolio in REITs with good quality assets, balance sheet strength and strong management teams.</p>
<b>Additional Information</b>	<p>The following information was updated:</p> <ol style="list-style-type: none"> <li>1) En Izad Shahadi Bin Mohd Sallehuddin, an Independent Non-Executive Director of AmIslamic Funds Management Sdn Bhd ('AIFM'), has resigned from the Investment Committee with effect from 30 June 2023.</li> <li>2) Ms Tracy Chen Wee Keng, the Chief Executive Officer of AmInvestment Bank Berhad has been appointed as Member of the Investment Committee with effect from 30 June 2023.</li> <li>3) Pn Azian Binti Kassim has been appointed as an Independent Non-Executive Director of AIFM and a member of the Fund Management Division's Audit and Risk Management Committee with effect 30 June 2023.</li> </ol>

- |  |   |
|--|---|
|  | 4) The Tenth Supplementary Master Prospectus dated 31 August 2023 has been registered with the Securities Commission Malaysia. The issuance of the Tenth Supplementary Master Prospectus is to be in line with the revised Guidelines on Unit Trust Funds and the Prospectus Guidelines for Collective Investment Schemes. Notice of the changes for the Tenth Supplementary Master Prospectus dated 31 August 2023 has been published on our website at <a href="http://www.aminvest.com">www.aminvest.com</a> and sent to the Unit Holders on 16 August 2023. |
|--|---|

Kuala Lumpur, Malaysia  
AmFunds Management Berhad

19 October 2023

## **Independent auditors' report to the unit holders of AmAsia Pacific REITs**

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the financial statements of AmAsia Pacific REITs ("the Fund"), which comprise the statement of financial position as at 31 August 2023 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 43.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 2023, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### *Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and other ethical responsibilities*

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### *Information other than the financial statements and auditors' report thereon*

The Manager is responsible for the other information. The other information comprises the information in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

**Independent auditors' report to the unit holders of  
AmAsia Pacific REITs (cont'd.)**

*Information other than the financial statements and auditors' report thereon (cont'd.)*

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

*Responsibilities of the Manager and the Trustees for the financial statements*

The Manager is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative to do so.

The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

*Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Independent auditors' report to the unit holders of  
AmAsia Pacific REITs (cont'd.)**

*Auditor's responsibilities for the audit of the financial statements (cont'd.)*

As part of an audit in accordance with the approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditors' report to the unit holders of  
AmAsia Pacific REITs (cont'd.)**

**Other matters**

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Ng Sue Ean  
No. 03276/07/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
19 October 2023

## AmAsia Pacific REITs

### STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2023

	Note	2023 RM	2022 RM
<b>ASSETS</b>			
Investments	4	210,299,147	241,797,067
Amount due from Manager	5(a)	138,326	95,580
Distribution receivables		2,361,344	3,058,214
Amount due from brokers	6	1,628,307	-
Capital repayment receivables	7	320,406	624,386
Tax recoverable		407,650	366,870
Deposit with a licensed financial institution	8	13,027,155	23,100,437
Cash at banks		1,901,504	1,480,732
<b>TOTAL ASSETS</b>		<u>230,083,839</u>	<u>270,523,286</u>
<b>LIABILITIES</b>			
Amount due to Manager	5(b)	369,057	421,598
Amount due to Trustee	9	11,856	14,610
Distribution payable		12,279	32,610
Sundry payables and accruals		17,454	21,445
<b>TOTAL LIABILITIES</b>		<u>410,646</u>	<u>490,263</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<u>229,673,193</u>	<u>270,033,023</u>
<b>EQUITY</b>			
Unit holders' capital	11(a)	204,214,571	214,109,579
Retained earnings	11(b)(c)	25,458,622	55,923,444
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	11	<u>229,673,193</u>	<u>270,033,023</u>
<b>UNITS IN CIRCULATION</b>			
- Class B (MYR)		<u>348,007,390</u>	<u>362,245,300</u>
<b>NAV PER UNIT (RM)</b>			
- Class B (MYR)		<u>0.6600</u>	<u>0.7454</u>

*The accompanying notes form an integral part of the financial statements.*

## AmAsia Pacific REITs

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

	Note	2023 RM	2022 RM
<b>INVESTMENT LOSSES</b>			
Distribution income		10,716,378	10,615,471
Interest income		557,493	602,289
Net losses from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	10	(31,208,677)	(23,931,250)
Other net realised losses on foreign currency exchange		(1,196,902)	(4,501,758)
Other net unrealised (loss)/gain on foreign currency exchange		(4,597)	27,237
		<u>(21,136,305)</u>	<u>(17,188,011)</u>
<b>EXPENDITURE</b>			
Manager’s fee	5	(3,719,752)	(4,204,727)
Trustee’s fee	9	(148,790)	(168,189)
Audit fee		(11,000)	(11,000)
Tax agent’s fee		(5,200)	(5,200)
Brokerage and other transaction fees		(259,867)	(600,106)
Custodian’s fee		(71,867)	(211,614)
Other expenses		(8,241)	(6,649)
		<u>(4,224,717)</u>	<u>(5,207,485)</u>
<b>Net losses before taxation</b>		(25,361,022)	(22,395,496)
<b>Taxation</b>	13	(3,206,893)	(1,246,039)
<b>Net losses after taxation, representing total comprehensive losses for the financial year</b>		<u>(28,567,915)</u>	<u>(23,641,535)</u>
Total comprehensive losses comprises the following:			
Realised income		3,526,462	11,685,790
Unrealised losses		(32,094,377)	(35,327,325)
		<u>(28,567,915)</u>	<u>(23,641,535)</u>
<b>Distributions for the financial year</b>			
Net distributions	14	<u>1,896,907</u>	<u>13,806,391</u>
Gross distributions per unit (sen)	14	<u>0.84</u>	<u>4.01</u>
Net distributions per unit (sen)	14	<u>0.54</u>	<u>4.00</u>

*The accompanying notes form an integral part of the financial statements.*



## AmAsia Pacific REITs

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 September 2022		214,109,579	55,923,444	270,033,023
Total comprehensive loss for the financial year		-	(28,567,915)	(28,567,915)
Creation of units	11(a)	21,159,486	-	21,159,486
Reinvestment of distribution	11(a),14	1,884,628	-	1,884,628
Cancellation of units	11(a)	(32,939,122)	-	(32,939,122)
Distribution	14	-	(1,896,907)	(1,896,907)
Balance at 31 August 2023		<u>204,214,571</u>	<u>25,458,622</u>	<u>229,673,193</u>
At 1 September 2021		193,390,991	93,371,370	286,762,361
Total comprehensive loss for the financial year		-	(23,641,535)	(23,641,535)
Creation of units	11(a)	32,055,850	-	32,055,850
Reinvestment of distributions	11(a),14	13,730,852	-	13,730,852
Cancellation of units	11(a)	(25,068,114)	-	(25,068,114)
Distributions	14	-	(13,806,391)	(13,806,391)
Balance at 31 August 2022		<u>214,109,579</u>	<u>55,923,444</u>	<u>270,033,023</u>

*The accompanying notes form an integral part of the financial statements.*

## AmAsia Pacific REITs

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

	Note	2023 RM	2022 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		45,402,155	116,216,260
Purchase of investments		(48,945,979)	(142,742,201)
Distribution received		10,335,180	9,027,896
Capital repayment received		1,315,122	770,322
Interest received		557,493	602,289
Manager's fee paid		(3,771,741)	(4,209,177)
Trustee's fee paid		(151,544)	(168,326)
Tax agent's fee paid		(5,200)	(5,200)
Tax paid		(2,177,486)	(722,139)
Custodian's fee paid		(71,867)	(211,614)
Payments for other expenses		(283,099)	(616,246)
Net cash generated from/(used in) operating and investing activities		<u>2,203,034</u>	<u>(22,058,136)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		21,116,740	33,315,475
Payments for cancellation of units		(32,939,674)	(25,034,641)
Distributions paid		(32,610)	(78,797)
Net cash (used in)/generated from financing activities		<u>(11,855,544)</u>	<u>8,202,037</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(9,652,510)	(13,856,099)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<u>24,581,169</u>	<u>38,437,268</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>		<u>14,928,659</u>	<u>24,581,169</u>
Cash and cash equivalents comprise:			
Deposit with a licensed financial institution	8	13,027,155	23,100,437
Cash at banks		<u>1,901,504</u>	<u>1,480,732</u>
		<u>14,928,659</u>	<u>24,581,169</u>

*The accompanying notes form an integral part of the financial statements.*

## AmAsia Pacific REITs

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 1. GENERAL INFORMATION

AmAsia Pacific REITs (“the Fund”) was established pursuant to a Deed dated 5 April 2011 as amended by Deeds supplemental thereto (“the Deed”), between AmFunds Management Berhad as the Manager, Deutsche Trustees Malaysia Berhad as the Trustee and all unit holders.

The Fund aims to provide regular income and to a lesser extent capital appreciation over the medium to long term by investing in real estate investment trusts (REITs). As provided in the Deed, the financial year shall end on 31 August. The units in the Fund for Class B (MYR) were first offered for sale on 18 July 2011, while Class A (USD), Class B (AUD) and Class B (SGD) were first offered for sale on 16 July 2014. There were no units in circulation for Class A (USD), Class B (AUD) and Class B (SGD) since its offer date and were terminated on 31 August 2018.

The financial statements were authorised for issue by the Manager on 19 October 2023.

#### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Fund have been prepared on a historical cost basis, except as otherwise stated in the accounting policies and comply with Malaysian Financial Reporting Standards (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”).

##### Standards effective during the financial year

The adoption of the following MFRS which became effective during the financial year did not have any material financial impact to the financial statements:

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2018-2020” Reference to the Conceptual Framework	1 January 2022
(Amendments to MFRS 3 <i>Business Combinations</i> )*	1 January 2022
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to MFRS 116 <i>Property, Plant and Equipment</i> )*	1 January 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> )	1 January 2022
Extension of the Temporary Exemption from applying MFRS 9 (Amendments to MFRS 4 <i>Insurance Contracts</i> )*	1 January 2022

## AmAsia Pacific REITs

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D.)

##### Standards issued but not yet effective

The standards and amendments to standards that have been issued but not yet effective up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these new pronouncements, if applicable, when they become effective:

Description	Effective for financial periods beginning on or after
MFRS 17 <i>Insurance Contracts and Amendments to MFRS 17*</i>	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contracts</i> )*	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements:</i> <i>Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements:</i> <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting policies, Changes in Accounting</i> <i>Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to</i> <i>Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and</i> <i>Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements:</i> <i>Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows and MFRS 7</i> <i>Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution</i> <i>of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

\* *These MFRS and Amendments to MFRSs are not relevant to the Fund.*

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 3.1 Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

(i) Distribution income

Distribution income is recognised when the Fund's right to receive the payment is established.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

**3.1 Income recognition (cont'd.)**

(ii) Interest income

Interest income on short-term deposits are recognised on an accrual basis using the effective interest method.

(iii) Gain or loss on disposal of investments

On disposal of investments, the net realised gain or loss on disposal is measured as the difference between the net disposal proceeds and the carrying amount of the investments. The net realised gain or loss is recognised in profit or loss.

**3.2 Income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

**3.3 Functional and presentation currency**

Functional currency is the currency of the primary economic environment in which the Fund operates that most faithfully represents the economic effects of the underlying transactions. The functional currency of the Fund is Ringgit Malaysia ("RM") which reflects the currency in which the Fund competes for funds, issues and redeems units. The Fund has also adopted RM as its presentation currency.

**3.4 Foreign currency transactions**

Transactions in currencies other than the Fund's functional currency (foreign currencies) are recorded in the functional currency using exchange rates prevailing at the transaction dates. At each reporting date, foreign currency monetary items are translated into RM at exchange rates ruling at the reporting date. All exchange gains or losses are recognised in profit or loss.

**3.5 Statement of cash flows**

The Fund adopts the direct method in the preparation of the statement of cash flows.

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to cash with insignificant risk of changes in value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

**3.6 Distribution**

Distributions are at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from the retained earnings and realised income. Realised income is the income earned from distribution income, interest income and net gain on disposal of investments after deducting expenses and taxation. A proposed distribution is recognised as a liability in the period in which it is approved. Distribution is either reinvested or paid in cash to the unit holders on the distribution payment date. Reinvestment of units is based on the NAV per unit on the distribution payment date, which is also the time of creation.

**3.7 Capital repayment received**

Capital repayment received are cash received by the Fund as a result of capital reduction, a corporate action executed by a REIT entities in which the Fund is holding units of shares as its investments. A capital reduction is made out of an entity's contributed share capital. The shareholders will receive a return of capital and the cost of the shareholder's investments are reduced accordingly by the amount of capital returned.

Capital repayment received is a financial asset and reduces the Fund's cost of investment on the REIT entity.

**3.8 Unit holders' capital**

The unit holders' capital of the Fund meets the definition of puttable instruments and is classified as equity instruments under MFRS 132 *Financial Instruments: Presentation* ("*MFRS 132*").

**3.9 Financial assets – initial recognition and measurement**

(i) Initial recognition

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised using trade date accounting or settlement date accounting. The method used is applied consistently for all purchases and sales of financial assets that belong to the same category of financial assets.

(ii) Initial measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial asset. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities not recorded at FVTPL, net of directly attributable transaction costs.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

**3.9 Financial assets – initial recognition and measurement (cont'd.)**

(iii) “Day 1” profit or loss

At initial measurement, if the transaction price differs from the fair value, the Fund immediately recognises the difference between the transaction price and fair value (a “Day 1” profit or loss) in profit or loss provided that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) or based on a valuation technique that uses only data from observable markets. In all other cases, the difference between the transaction price and model value is recognised in profit or loss on a systematic and rational basis that reflects the nature of the instrument over its tenure.

**3.10 Financial assets – classification and subsequent measurement**

The Fund subsequently measures its investments in collective investment schemes (“CIS”) at FVTPL. Distributions earned whilst holding the investments are recognised in profit or loss when the right to receive the payment has been established. Gains and losses on the investments, realised and unrealised, are included in profit or loss.

**3.11 Financial assets under MFRS 9**

*Classification and measurement*

The classification of financial assets depends on the Fund’s business model of managing the financial assets in order to generate cash flows (“business model test”) and the contractual cash flow characteristics of the financial instruments (“SPPI test”). The business model test determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both and the assessment is performed on a portfolio basis. The SPPI test determines whether the contractual cash flows are solely for payments of principal and interest and the assessment is performed on a financial instrument basis.

The Fund may classify its financial assets under the following categories:

*Financial assets at amortised cost*

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets include in this category are deposit with a licensed financial institution, cash at banks, amount due from brokers/financial institutions, dividend/distribution receivables, amount due from Manager, amount due from Target Fund Manager and other receivables.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

**3.11 Financial assets under MFRS 9 (cont'd.)**

*Classification and measurement (cont'd.)*

The Fund may classify its financial assets under the following categories: (cont'd.)

*Financial assets at FVOCI*

A financial asset is measured at fair value through other comprehensive income ("FVOCI") if its business model is both to hold the asset to collect contractual cash flows and to sell the financial asset. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal.

These investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these investments are remeasured at fair value. All fair value adjustments are initially recognised through OCI. Debt instruments at FVOCI are subject to impairment assessment.

*Financial assets at FVTPL*

Any financial assets that are not measured at amortised cost or FVOCI are measured at FVTPL. Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in "Net gain or loss on financial assets at FVTPL". Distribution revenue and interest earned elements of such instruments are recorded separately in "Distribution income" and "Interest income" respectively. Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gain or net loss on changes in fair value of financial assets at FVTPL.

Instruments that qualify for amortised cost or FVOCI may be irrevocably designated as FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments are normally measured at FVTPL, nevertheless, the Fund is allowed to irrevocably designate equity instruments that are not held for trading as FVOCI, with no subsequent reclassification of gains or losses to profit or loss.

**3.12 Financial liabilities – classification and subsequent measurement**

Financial liabilities issued by the Fund are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Fund having an obligation either to deliver cash or another financial asset to the holders. After initial measurement, financial liabilities are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

**3.13 Derecognition of financial instruments**

(i) Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either:
  - the Fund has transferred substantially all the risks and rewards of the asset, or
  - the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

For investments classified as FVOCI - debt instruments, the cumulative fair value change recognised in OCI is recycled to profit or loss.

(ii) Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Gains and losses are recognised in profit or loss when the liabilities are recognised, and through the amortisation process.

**3.14 Financial instruments – expected credit losses (“ECL”)**

The Fund assesses the ECL associated with its financial assets at amortised cost using simplified approach. Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The ECL in respect of financial assets at amortised cost, if any, is recognised in profit or loss.

Financial assets together with the associated allowance are written off when it has exhausted all practical recovery efforts and there is no realistic prospect of future recovery. The Fund may also write-off financial assets that are still subject to enforcement activity when there is no reasonable expectation of full recovery. If a write-off is later recovered, the recovery is credited to profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

**3.15 Determination of fair value**

For investments in CIS, fair value is determined based on the closing NAV per unit of the CIS. Purchased cost is the price that the Fund paid when buying its investments. The difference between purchased cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss. Unrealised gains or losses recognised in profit or loss are not distributable in nature.

**3.16 Classification of realised and unrealised gains and losses**

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the reporting period.

Realised gains and losses on disposals of financial instruments classified at FVTPL are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

**3.17 Significant accounting estimates and judgments**

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

The Fund classifies its investments as financial assets at FVTPL as the Fund may sell its investments in the short-term for profit-taking or to meet unit holders' cancellation of units.

No major judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## AmAsia Pacific REITs

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 4. INVESTMENTS

	2023 RM	2022 RM
<b>Financial assets at FVTPL</b>		
Quoted CIS - local	18,475,523	15,985,982
Quoted CIS - foreign	191,823,624	225,811,085
	<u>210,299,147</u>	<u>241,797,067</u>

Details of investments as at 31 August 2023 are as follows:

Name of trust	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
<b>Quoted CIS - local</b>				
<b>REITs</b>				
Axis Real Estate Investment Trust	4,255,900	7,958,533	7,862,730	3.47
IGB Real Estate Investment Trust	2,224,100	3,625,283	3,676,706	1.58
KLCCP Stapled Group Pavilion Real Estate Trust	50,000	335,000	347,616	0.15
	<u>5,374,350</u>	<u>6,556,707</u>	<u>7,702,257</u>	<u>2.85</u>
<b>Total quoted CIS - local</b>	<u>11,904,350</u>	<u>18,475,523</u>	<u>19,589,309</u>	<u>8.05</u>

#### Quoted CIS - foreign

##### Australia

##### REITs

Arena REIT	387,195	4,313,646	4,090,405	1.88
BWP Trust	410,559	4,561,610	5,119,540	1.99
Centuria Industrial REIT	562,040	5,198,270	6,278,231	2.26
Charter Hall Group	129,582	4,218,080	4,888,482	1.84
Charter Hall Long WALE REIT	394,456	4,193,172	5,813,192	1.83
Charter Hall Retail REIT	221,342	2,319,691	2,463,202	1.01
Charter Hall Social Infrastructure REIT	170,896	1,457,441	1,603,590	0.63

## AmAsia Pacific REITs

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 4. INVESTMENTS (CONT'D.)

Details of investments as at 31 August 2023 are as follows: (cont'd.)

Name of trust	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
<b>Quoted CIS - foreign (cont'd.)</b>				
<b>Australia (cont'd.)</b>				
<b>REITs (cont'd.)</b>				
DEXUS Property Group	198,183	4,612,209	6,015,639	2.01
Goodman Group	138,830	9,738,611	8,310,299	4.24
HealthCo Healthcare and Wellness REIT	390,000	1,733,274	1,760,436	0.75
HomeCo Daily Needs REIT	864,715	3,180,900	3,545,620	1.38
Mirvac Group	743,113	5,400,216	5,875,455	2.35
National Storage REIT	376,791	2,625,000	2,696,470	1.14
Scentre Group	210,015	1,734,299	1,820,753	0.76
Stockland Corporation Ltd	452,164	5,757,086	5,977,302	2.51
The GPT Group	287,975	3,631,993	4,190,785	1.58
Waypoint REIT Limited	449,519	3,374,651	3,566,639	1.47
<b>Total in Australia</b>	<b>6,387,375</b>	<b>68,050,149</b>	<b>74,016,040</b>	<b>29.63</b>
<b>Hong Kong</b>				
<b>REITs</b>				
Link Real Estate Investment Trust	308,727	7,110,830	9,572,325	3.10
<b>Total in Hong Kong</b>	<b>308,727</b>	<b>7,110,830</b>	<b>9,572,325</b>	<b>3.10</b>
<b>Japan</b>				
<b>REITs</b>				
CRE Logistics REIT, Inc.	764	4,111,441	5,907,113	1.79
GLP J-REIT	989	4,323,951	5,423,459	1.88
Healthcare & Medical Investment Corporation	346	1,629,515	1,866,032	0.71
Hoshino Resorts REIT, Inc.	148	2,954,903	3,392,038	1.29
Industrial & Infrastructure Fund Investment Corp.	799	3,714,613	5,804,086	1.62
Japan Hotel REIT Investment Corporation	609	1,431,158	1,312,832	0.62

## AmAsia Pacific REITs

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 4. INVESTMENTS (CONT'D.)

Details of investments as at 31 August 2023 are as follows: (cont'd.)

Name of trust	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
<b>Quoted CIS - foreign (cont'd.)</b>				
<b>Japan (cont'd.)</b>				
<b>REITs (cont'd.)</b>				
Kenedix Residential Next Investment Corporation	18	129,537	125,852	0.06
LaSalle Logiport REIT	973	4,607,208	5,381,940	2.01
Mitsubishi Estate Logistics REIT Investment Corporation	354	4,441,334	6,300,098	1.93
Mitsui Fudosan Logistics Park Inc.	315	4,970,135	6,569,686	2.16
Nippon Accommodations Fund Inc.	122	2,552,344	2,535,714	1.11
Nippon Building Fund Inc.	71	1,390,425	1,665,804	0.61
Nippon Prologis REIT, Inc.	501	4,672,734	5,663,935	2.03
<b>Total in Japan</b>	<b>6,009</b>	<b>40,929,298</b>	<b>51,948,589</b>	<b>17.82</b>
<b>Singapore</b>				
<b>REITs</b>				
Capitaland Ascendas Trust	753,844	7,169,238	6,434,453	3.12
Capitaland Ascott Trust	1,322,600	4,404,656	4,339,193	1.92
CapitaLand China Trust	1,032,116	3,206,925	3,960,257	1.40
CapitaLand Integrated Commercial Trust	804,278	5,274,136	5,817,795	2.30
CDL Hospitality Trusts	1,104,600	3,906,196	4,321,038	1.70
Digital Core REIT	902,200	2,321,843	3,865,800	1.01
Frasers Centrepoint Trust	1,425,230	10,960,863	10,435,401	4.77
Frasers Logistics & Commercial Trust	1,193,174	4,915,829	4,170,884	2.14
Keppel DC REIT	305,381	2,306,622	2,328,490	1.00

## AmAsia Pacific REITs

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 4. INVESTMENTS (CONT'D.)

Details of investments as at 31 August 2023 are as follows: (cont'd.)

Name of trust	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
<b>Quoted CIS - foreign (cont'd.)</b>				
<b>Singapore (cont'd.)</b>				
<b>REITs (cont'd.)</b>				
Keppel Pacific Oak US REIT	2,414,715	2,463,348	6,887,580	1.07
Keppel REIT	1,533,700	4,554,789	5,309,227	1.98
Lendlease Global Commercial REIT	2,381,654	4,701,736	5,687,769	2.05
Manulife US REIT	1,400,845	441,709	4,266,004	0.19
Mapletree Industrial Trust	689,205	5,442,369	5,772,965	2.37
Mapletree Logistics Trust	1,007,653	5,812,086	5,341,400	2.53
Mapletree Pan Asia Commercial Trust	1,197,784	6,250,775	7,532,280	2.72
Parkway Life REIT	700	9,229	7,240	*
Prime US REIT	2,486,300	1,590,998	8,179,437	0.69
<b>Total in Singapore</b>	<b>21,955,979</b>	<b>75,733,347</b>	<b>94,657,213</b>	<b>32.96</b>
<b>Total quoted CIS - foreign</b>	<b>28,658,090</b>	<b>191,823,624</b>	<b>230,194,167</b>	<b>83.51</b>
<b>Total financial assets at FVTPL</b>	<b>40,562,440</b>	<b>210,299,147</b>	<b>249,783,476</b>	<b>91.56</b>
<b>Shortfall of fair value over purchased cost</b>		<b>(39,484,329)</b>		

\* represents less than 0.01%

#### 5. AMOUNT DUE FROM/TO MANAGER

	Note	2023 RM	2022 RM
(a) Due from Manager			
Creation of units	(i)	138,326	95,580

## AmAsia Pacific REITs

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 5. AMOUNT DUE FROM/TO MANAGER (CONT'D.)

	Note	2023 RM	2022 RM
<b>(b) Due to Manager</b>			
Redemption of units	(ii)	32,922	33,474
Manager's fee payable	(iii)	336,135	388,124
		<u>369,057</u>	<u>421,598</u>

(i) The amount represents amount receivable from the Manager for units created.

(ii) The amount represents amount payable to the Manager for units redeemed.

The normal credit period in the previous and current financial years for creation and redemption of units is three business days.

(iii) Manager's fee is at a rate of 1.50% (2022: 1.50%) per annum for Class B (MYR) on the NAV of the Fund, calculated on a daily basis.

The normal credit period in the previous and current financial years for Manager's fee payable is one month.

#### 6. AMOUNT DUE FROM BROKERS

Amount due from brokers arose from the sale of investments. The settlement period is within two business days from the transaction date.

#### 7. CAPITAL REPAYMENT RECEIVABLES

The amount relates to the capital repayment as a result of corporate action from its investment in securities.

#### 8. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	2023 RM	2022 RM
At nominal value:		
Short-term deposit	<u>13,025,000</u>	<u>23,099,000</u>
At carrying value:		
Short-term deposit	<u>13,027,155</u>	<u>23,100,437</u>

## AmAsia Pacific REITs

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 8. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION (CONT'D.)

Details of deposit with a licensed financial institution are as follows:

<b>Maturity date</b>	<b>Financial Institution</b>	<b>Nominal value RM</b>	<b>Carrying value RM</b>	<b>Carrying value as a percentage of NAV %</b>
<b>2023</b>				
<b>Short-term deposit</b>				
01.09.2023	Hong Leong Investment Bank	13,025,000	13,027,155	5.67

The weighted average effective interest rate and weighted average remaining maturities of short-term deposit are as follows:

	<b>Weighted average effective interest rate</b>		<b>Weighted average remaining maturities</b>	
	<b>2023 %</b>	<b>2022 %</b>	<b>2023 Day</b>	<b>2022 Days</b>
Short-term deposit	3.02	2.27	1	2

#### 9. AMOUNT DUE TO TRUSTEE

Trustee's fee is at rate of 0.06% (2022: 0.06%) per annum on the NAV of the Fund, calculated on a daily basis, subject to a minimum fee of RM10,000 per annum.

The normal credit period in the previous and current financial years for Trustee's fee payable is one month.

#### 10. NET LOSSES FROM INVESTMENTS

	<b>2023 RM</b>	<b>2022 RM</b>
Net losses on financial assets at FVTPL comprised:		
– Net realised (loss)/gain on sale of investments	(154,430)	10,175,534
– Net realised gains on foreign currency exchange	1,035,533	1,247,778
– Net unrealised losses on changes in fair value of investments	(35,977,449)	(32,152,059)
– Net unrealised gain/(loss) on foreign currency fluctuation of investments denominated in foreign currency	3,887,669	(3,202,503)
	<u>(31,208,677)</u>	<u>(23,931,250)</u>



## AmAsia Pacific REITs

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 11. TOTAL EQUITY

Total equity is represented by:

	Note	2023 RM	2022 RM
Unit holders' capital	(a)	204,214,571	214,109,579
Retained earnings			
– Realised income	(b)	64,949,863	63,320,308
– Unrealised losses	(c)	<u>(39,491,241)</u>	<u>(7,396,864)</u>
		<u>229,673,193</u>	<u>270,033,023</u>

#### (a) Unit holders' capital/units in circulation

	2023		2022	
	Number of units	RM	Number of units	RM
At beginning of the financial year	362,245,300	214,109,579	335,587,916	193,390,991
Creation during the financial year	30,383,044	21,159,486	39,386,537	32,055,850
Reinvestment of distributions (Note 14)	2,867,226	1,884,628	18,037,981	13,730,852
Cancellation during the financial year	<u>(47,488,180)</u>	<u>(32,939,122)</u>	<u>(30,767,134)</u>	<u>(25,068,114)</u>
At end of the financial year	<u>348,007,390</u>	<u>204,214,571</u>	<u>362,245,300</u>	<u>214,109,579</u>

#### (b) Realised – distributable

	2023 RM	2022 RM
At beginning of the financial year	63,320,308	65,440,909
Net realised income for the financial year	3,526,462	11,685,790
Distributions out of realised income (Note 14)	<u>(1,896,907)</u>	<u>(13,806,391)</u>
At end of the financial year	<u>64,949,863</u>	<u>63,320,308</u>

#### (c) Unrealised – non-distributable

	2023 RM	2022 RM
At beginning of the financial year	(7,396,864)	27,930,461
Net unrealised losses for the financial year	<u>(32,094,377)</u>	<u>(35,327,325)</u>
At end of the financial year	<u>(39,491,241)</u>	<u>(7,396,864)</u>

## AmAsia Pacific REITs

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 12. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

The related parties and their relationships with the Fund are as follows:

<u>Related parties</u>	<u>Relationships</u>
AmFunds Management Berhad	The Manager
AmInvestment Bank Berhad	Holding company of the Manager
AMMB Holdings Berhad (“AMMB”)	Ultimate holding company of the Manager
Subsidiaries and associates of AMMB as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the Manager

There are no units held by the Manager or any related party as at 31 August 2023 and 31 August 2022.

Other than those disclosed elsewhere in the financial statements, the significant related party balances as at reporting date is as follows:

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Significant related party balances</b>		
<u>AmBank Berhad</u>		
Cash at bank	4,454	4,486

#### 13. TAXATION

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Local tax		
– current year provision	2,287,452	422,823
– over provision in prior financial year	(67,998)	-
Foreign tax	987,439	823,216
	<u>3,206,893</u>	<u>1,246,039</u>

Income tax payable is calculated on investments income less deduction for permitted expenses as provided under Section 63B of the Income Tax Act, 1967.

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempted from tax. Foreign-sourced income (“FSI”) received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

## AmAsia Pacific REITs

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 13. TAXATION (CONT'D.)

Withholding tax refer to taxable distribution income derived from countries including Australia, Japan and Singapore calculated at the rates prevailing in these countries.

A reconciliation of income tax expense applicable to net losses before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	2023 RM	2022 RM
Net losses before taxation	<u>(25,361,022)</u>	<u>(22,395,496)</u>
Taxation at Malaysian statutory rate of 24% (2022: 24%)	(6,086,645)	(5,374,919)
Tax effects of:		
Income not subject to tax	(612,407)	(3,683,101)
Losses not allowed for tax deduction	8,960,011	9,054,262
Restriction on tax deductible expenses for unit trust fund	727,066	911,245
Non-permitted expenses for tax purposes	118,552	237,302
Permitted expenses not used and not available for future financial years	168,314	101,250
Over provision in prior financial year	<u>(67,998)</u>	<u>-</u>
Tax expense for the financial year	<u>3,206,893</u>	<u>1,246,039</u>

#### 14. DISTRIBUTIONS

Distributions to unit holders for the current and previous financial years are from the following sources:

	2023 RM	2022 RM
Distribution income	8,121,263	10,040,299
Interest income	422,489	569,656
Net realised gain on sale of investments	-	9,649,960
Net realised gain on foreign currency exchange	784,765	-
	<u>9,328,517</u>	<u>20,259,915</u>
Less: Expenses	(4,224,717)	(5,207,485)
Taxation	<u>(3,206,893)</u>	<u>(1,246,039)</u>
Total amount of distributions	<u>1,896,907</u>	<u>13,806,391</u>
Gross distributions per unit (sen)	<u>0.84</u>	<u>4.01</u>
Net distributions per unit (sen)	<u>0.54</u>	<u>4.00</u>

## AmAsia Pacific REITs

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 14. DISTRIBUTIONS (CONT'D.)

Distributions to unit holders for the current and previous financial years are from the following sources: (cont'd.)

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Distributions made out of:		
– Realised income [Note 11(b)]	<u>1,896,907</u>	<u>13,806,391</u>
Comprising:		
Reinvestment of distributions [Note 11(a)]	1,884,628	13,730,852
Distribution payable	12,279	32,610
Cash distributions	-	42,929
	<u>1,896,907</u>	<u>13,806,391</u>

Details of distributions to unit holders for the current and previous financial year are as follows:

#### Financial year ended 31 August 2023

<b>Distribution</b>	<b>Gross</b>	<b>Net</b>	<b>Total</b>
<b>Ex-date</b>	<b>distribution</b>	<b>distribution</b>	<b>distribution</b>
	<b>per unit</b>	<b>per unit</b>	<b>RM</b>
	<b>RM (sen)</b>	<b>RM (sen)</b>	
23 August 2023	<u>0.84</u>	<u>0.54</u>	<u>1,896,907</u>

#### Financial year ended 31 August 2022

<b>Distributions</b>	<b>Gross</b>	<b>Net</b>	<b>Total</b>
<b>Ex-date</b>	<b>distributions</b>	<b>distributions</b>	<b>distributions</b>
	<b>per unit</b>	<b>per unit</b>	<b>RM</b>
	<b>RM (sen)</b>	<b>RM (sen)</b>	
24 February 2022	2.00	2.00	6,750,590
24 August 2022	<u>2.01</u>	<u>2.00</u>	<u>7,055,801</u>
	<u>4.01</u>	<u>4.00</u>	<u>13,806,391</u>

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

The distribution declared for the financial year ended 31 August 2023 has been proposed before taking into account the net unrealised loss of RM32,094,377 (2022:RM35,327,325) which is carried forward to the next financial year.

## AmAsia Pacific REITs

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 15. TOTAL EXPENSE RATIO (“TER”)

The Fund’s TER is as follows:

	<b>2023</b>	<b>2022</b>
	<b>% p.a.</b>	<b>% p.a.</b>
Manager’s fee	1.50	1.50
Trustee’s fee	0.06	0.06
Fund’s other expenses	0.04	0.08
Total TER	<u>1.60</u>	<u>1.64</u>

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis.

#### 16. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of investments to the average NAV of the Fund calculated on a daily basis, is 0.20 times (2022: 0.46 times).

#### 17. SEGMENTAL REPORTING

In accordance with the objective of the Fund, substantially all of the Fund’s investments are made in the form of quoted REITs. The Manager is of the opinion that the risk and rewards from these investments are not individually or segmentally distinct and hence, the Fund does not have a separately identifiable business or geographical segments.

## AmAsia Pacific REITs

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 18. TRANSACTIONS WITH BROKERS AND FINANCIAL INSTITUTIONS

Details of transactions with brokers and financial institutions for the financial year ended 31 August 2023 are as follows:

Brokers/Financial institutions	Transaction value		Brokerage fee, stamp duty and clearing fee	
	RM	%	RM	%
Macquarie Bank Limited (Australia)	32,441,731	33.80	97,325	37.43
CGS - CIMB Securities (Hong Kong) Limited	16,807,407	17.51	39,236	15.09
Macquarie Securities (Australia) Limited	10,021,031	10.44	28,749	11.06
Daiwa Capital Markets Hong Kong Ltd.	8,545,408	8.90	21,260	8.18
Credit Suisse (Hong Kong) Limited	8,507,133	8.86	26,576	10.22
CLSA Singapore Pte Ltd.	5,012,731	5.22	13,098	5.04
DBS Vickers Securities (Singapore) Pte. Ltd.	4,218,553	4.40	12,234	4.71
Merrill Lynch Int Ltd (London)	3,940,325	4.11	10,149	3.90
AmInvestment Bank Berhad*	2,774,196	2.89	1,313	0.50
Merrill Lynch International Limited	2,158,478	2.25	4,317	1.66
Other brokers and financial institutions	1,550,800	1.62	5,760	2.21
Total	<u>95,977,793</u>	<u>100.00</u>	<u>260,017</u>	<u>100.00</u>

\* A financial institution related to the Manager.

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

The above transactions were in respect of listed CIS.

#### 19. FINANCIAL INSTRUMENTS

##### (a) Classification of financial instruments

The significant accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities of the Fund in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

AmAsia Pacific REITs

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

19. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Classification of financial instruments (cont'd.)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>2023</b>				
<b>Assets</b>				
Investments	210,299,147	-	-	210,299,147
Amount due from Manager	-	138,326	-	138,326
Distribution receivables	-	2,361,344	-	2,361,344
Amount due from brokers	-	1,628,307	-	1,628,307
Capital repayment receivables	-	320,406	-	320,406
Deposit with a licensed financial institution	-	13,027,155	-	13,027,155
Cash at banks	-	1,901,504	-	1,901,504
<b>Total financial assets</b>	<b>210,299,147</b>	<b>19,377,042</b>	<b>-</b>	<b>229,676,189</b>
<b>Liabilities</b>				
Amount due to Manager	-	-	369,057	369,057
Amount due to Trustee	-	-	11,856	11,856
Distribution payable	-	-	12,279	12,279
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>393,192</b>	<b>393,192</b>
<b>2022</b>				
<b>Assets</b>				
Investments	241,797,067	-	-	241,797,067
Amount due from Manager	-	95,580	-	95,580
Distribution receivables	-	3,058,214	-	3,058,214
Capital repayment receivables	-	624,386	-	624,386
Deposit with a licensed financial institution	-	23,100,437	-	23,100,437
Cash at banks	-	1,480,732	-	1,480,732
<b>Total financial assets</b>	<b>241,797,067</b>	<b>28,359,349</b>	<b>-</b>	<b>270,156,416</b>
<b>Liabilities</b>				
Amount due to Manager	-	-	421,598	421,598
Amount due to Trustee	-	-	14,610	14,610
Distribution payable	-	-	32,610	32,610
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>468,818</b>	<b>468,818</b>

## AmAsia Pacific REITs

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 19. FINANCIAL INSTRUMENTS (CONT'D.)

##### (a) Classification of financial instruments (cont'd.)

	Income, expenses, gains and losses	
	2023 RM	2022 RM
Net losses from financial assets at FVTPL	(31,208,677)	(23,931,250)
Income, of which derived from:		
– Distribution income from financial assets at FVTPL	10,716,378	10,615,471
– Interest income from financial assets at amortised cost	557,493	602,289
– Other net realised losses on foreign currency exchange	(1,196,902)	(4,501,758)
– Other net unrealised (loss)/gain on foreign currency exchange	(4,597)	27,237
	<u>(4,597)</u>	<u>27,237</u>

##### (b) Financial instruments that are carried at fair value

The Fund's financial assets and liabilities are carried at fair value.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable; either directly or indirectly; or
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by the level of the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2023</b>				
Financial assets at FVTPL	210,299,147	-	-	210,299,147
	<u>210,299,147</u>	<u>-</u>	<u>-</u>	<u>210,299,147</u>
<b>2022</b>				
Financial assets at FVTPL	241,797,067	-	-	241,797,067
	<u>241,797,067</u>	<u>-</u>	<u>-</u>	<u>241,797,067</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

**19. FINANCIAL INSTRUMENTS (CONT'D.)**

**(c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value due to their short period to maturity or short credit period:

- Amount due from/to Manager
- Distribution receivables
- Amount due from brokers
- Capital repayment receivables
- Deposit with a licensed financial institution
- Cash at banks
- Amount due to Trustee
- Distribution payable

There are no financial instruments which are not carried at fair value and whose carrying amounts are not reasonable approximation of their respective fair value.

**20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund is exposed to a variety of risks that include market risk, credit risk, liquidity risk, single issuer risk, regulatory risk, country risk, management risk and non-compliance risk.

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of investments coupled with stringent compliance to investments restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission Malaysia's Guidelines on Unit Trust Funds and the Deed as the backbone of risk management of the Fund.

**(a) Market risk**

The Fund's principal exposure to market risk arises primarily due to changes in the market environment, global economic and geo-political developments.

The Fund's market risk is affected primarily by the following risks:

**(i) Price risk**

Price risk refers to the uncertainty of an investment's future prices. In the event of adverse price movements, the Fund might endure potential loss on its quoted investments. In managing price risk, the Manager actively monitors the performance and risk profile of the investment portfolio.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Market risk (cont'd.)

(i) Price risk (cont'd.)

The result below summarised the price risk sensitivity of the Fund's NAV due to movements of price by -5.00% and +5.00% respectively:

Percentage movements in price by:	Sensitivity of the Fund's NAV	
	2023 RM	2022 RM
-5.00%	(10,514,957)	(12,089,853)
+5.00%	10,514,957	12,089,853

(ii) Interest rate risk

Interest rate risk will affect the value of the Fund's investments, given the interest rate movements, which are influenced by regional and local economic developments as well as political developments.

Domestic interest rates on deposits and placements with a licensed financial institution are determined based on prevailing market rates.

The result below summarised the interest rate sensitivity of the Fund's NAV, or theoretical value due to the parallel movement assumption of the yield curve by +100bps and -100bps respectively:

Parallel shift in yield curve by:	Sensitivity of the Fund's NAV or theoretical value	
	2023 RM	2022 RM
+100bps	(345)	(616)
-100bps	348	622

(iii) Currency risk

Currency risk is associated with the Fund's assets and liabilities that are denominated in currencies other than the Fund's functional currency. Currency risk refers to the potential loss the Fund might face due to unfavorable fluctuations of currencies other than the Fund's functional currency against the Fund's functional currency.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

**20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

**(a) Market risk (cont'd.)**

**(iii) Currency risk (cont'd.)**

The result below summarised the currency risk sensitivity of the Fund's NAV due to appreciation/depreciation of the Fund's functional currency against currencies other than the Fund's functional currency.

Percentage movements in currencies other than the Fund's functional currency:	Sensitivity of the Fund's NAV	
	2023 RM	2022 RM
-5.00%	(9,865,342)	(11,523,327)
+5.00%	9,865,342	11,523,327

The net unhedged financial assets of the Fund that are not denominated in Fund's functional currency are as follows:

Assets denominated in	2023		2022	
	RM equivalent	% of NAV	RM equivalent	% of NAV
<b>Australian Dollar</b>				
Investments	68,050,149	29.63	72,541,253	26.86
Distribution receivables	634,863	0.28	829,451	0.31
Cash at bank	175,288	0.07	16	-
	<u>68,860,300</u>	<u>29.98</u>	<u>73,370,720</u>	<u>27.17</u>
<b>European Dollar</b>				
Investments	-	-	5,503,251	2.04
Capital repayment receivables	-	-	40,570	0.01
Distribution receivables	-	-	190,140	0.07
	<u>-</u>	<u>-</u>	<u>5,733,961</u>	<u>2.12</u>
<b>Hong Kong Dollar</b>				
Investments	7,110,830	3.10	2,156,841	0.80
Cash at bank	53	-*	51	-*
	<u>7,110,883</u>	<u>3.10</u>	<u>2,156,892</u>	<u>0.80</u>

AmAsia Pacific REITs

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Market risk (cont'd.)

(iii) Currency risk (cont'd.)

The net unhedged financial assets of the Fund that are not denominated in Fund's functional currency are as follows: (cont'd.)

Assets denominated in	2023	% of NAV	2022	% of NAV
	RM equivalent		RM equivalent	
<b>Japanese Yen</b>				
Investments	40,929,298	17.82	50,222,423	18.60
Capital repayment receivables	63,435	0.03	-	-
Distribution receivables	493,273	0.22	556,848	0.20
Cash at bank	584,973	0.25	591,458	0.22
	<u>42,070,979</u>	<u>18.32</u>	<u>51,370,729</u>	<u>19.02</u>
<b>Singapore Dollar</b>				
Investments	68,915,449	30.00	74,164,668	27.46
Capital repayment receivables	197,020	0.09	240,627	0.09
Distribution receivables	707,589	0.31	689,705	0.26
Amount due from brokers	1,579,295	0.69	-	-
Cash at bank	213,113	0.09	226,353	0.08
	<u>71,612,466</u>	<u>31.18</u>	<u>75,321,353</u>	<u>27.89</u>
<b>United States Dollar</b>				
Investments	6,817,898	2.96	21,222,649	7.86
Capital repayment receivables	59,951	0.03	343,190	0.13
Distribution receivables	484,646	0.21	667,523	0.25
Cash at bank	289,715	0.13	279,531	0.10
	<u>7,652,210</u>	<u>3.33</u>	<u>22,512,893</u>	<u>8.34</u>

\* represents less than 0.01%

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

**20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

**(b) Credit risk**

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. Credit risk applies to short-term deposits and distribution receivables. The issuer of such instruments may not be able to fulfill the required interest payments or repay the principal invested or amount owing. These risks may cause the Fund's investments to fluctuate in value.

For deposit with a licensed financial institution, the Fund makes placements with a licensed financial institution with sound rating of P1/MARC-1 and above. Cash at banks are held for liquidity purposes and are not exposed to significant credit risk.

**(c) Liquidity risk**

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise of deposit with a licensed financial institution and other instruments, which are capable of being converted into cash within 5 to 7 days. The Fund's policy is to always maintain a prudent level of liquid assets so as to reduce liquidity risk.

The Fund's financial liabilities have contractual maturities of not more than six months.

**(d) Single issuer risk**

Internal policy restricts the Fund from investing in securities issued by any issuer of not more than a certain percentage of its NAV. Under such restriction, the risk exposure to the securities of any single issuer is diversified and managed based on internal/external ratings.

**(e) Regulatory risk**

Any changes in national policies and regulations may have effects on the capital market and the NAV of the Fund.

**(f) Country risk**

The risk of price fluctuation in foreign securities may arise due to political, financial and economic events in foreign countries. If this occurs, there is possibility that the NAV of the Fund may be adversely affected.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

**20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

**(g) Management risk**

Poor management of the Fund may cause considerable losses to the Fund that in turn may affect the NAV of the Fund.

**(h) Non-compliance risk**

This is the risk of the Manager or the Trustee not complying with their respective internal policies, the Deed and its Supplemental Deed, securities laws or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund.

**21. CAPITAL MANAGEMENT**

The primary objective of the Fund's capital management is to ensure that it maximises unit holders' value by expanding its fund size to benefit from economies of scale and achieving growth in NAV from the performance of its investments.

The Fund manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Fund may issue new or bonus units, make distribution payment, or return capital to unit holders by way of redemption of units.

No changes were made in the objective, policies or processes during the financial years ended 31 August 2023 and 31 August 2022.

## **AmAsia Pacific REITs**

### **STATEMENT BY THE MANAGER**

I, Goh Wee Peng, being the Director of and on behalf of the Board of Directors of AmFunds Management Berhad (“the Manager”), do hereby state that in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of AmAsia Pacific REITs (“the Fund”) as at 31 August 2023 and the comprehensive income, the changes in equity and cash flows for the financial year then ended.

For and on behalf of the Manager

**GOH WEE PENG**

Executive Director

Kuala Lumpur, Malaysia

19 October 2023

## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF AMASIA PACIFIC REITS ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 31 August 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AmFunds Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Fund Operations

**Sylvia Beh**  
Chief Executive Officer

Kuala Lumpur  
19 October 2023



## DIRECTORY

Head Office

9<sup>th</sup> & 10<sup>th</sup> Floor, Bangunan AmBank Group  
55, Jalan Raja Chulan, 50200 Kuala Lumpur  
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Email: enquiries@aminvest.com

Postal Address

AmFunds Management Berhad  
P.O Box 13611, 50816 Kuala Lumpur

*For enquiries about this or any of the other Funds offered by AmFunds Management Berhad  
Please call 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday to Thursday),  
Friday (8.45 a.m. to 5.00 p.m.)*

