

AMANAHRAYA REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	As At End of Current Quarter (Unaudited) 30.09.2016 RM	As At End of Current Quarter (Audited) 31.12.2015 RM
ASSETS			
Non-current asset			
Investment properties	B8	940,820,000	884,820,000
		940,820,000	884,820,000
Current assets			
Trade and other receivables		9,839,943	3,560,712
Security deposits in Trust accounts and financial institution		36,182,776	35,964,840
Deposits placed with licensed financial institutions	B8	18,995,034	98,953,770
Asset held for sale - investment properties		-	78,000,000
Cash and bank balances		431,769	73,722
		65,449,523	216,553,044
TOTAL ASSETS		1,006,269,523	1,101,373,044
LIABILITIES			
Non-current liability			
Borrowings	B9	256,230,000	364,230,000
Trade and other payables	A14	29,935,783	29,966,565
		286,165,783	394,196,565
Current liabilities			
Borrowings	B9	20,000,000	-
Trade and other payables		10,895,983	16,997,832
Provision for income distributions	A8	8,519,846	8,638,801
		39,415,829	25,636,633
TOTAL LIABILITIES		325,581,613	419,833,198
NET ASSET VALUE (NAV)		680,687,910	681,539,846
FINANCED BY:			
UNITHOLDERS' FUND			
Unitholders' capital		519,685,915	519,685,915
Undistributed income (<i>Note 1</i>)		161,001,995	161,853,931
Total unitholders' fund		680,687,910	681,539,846
NUMBER OF UNITS IN CIRCULATIONS		573,219,858	573,219,858
NET ASSET VALUE (NAV) PER UNIT (RM):			
- Before income distribution (<i>Note 2</i>)		1.1875	1.1890
- After income distribution (<i>Note 3</i>)		1.1584	1.1558

Note 1:

This includes net appreciation in fair values of investment properties of RM133,733,681, a surplus of appraised value over acquisition costs arising from the last valuation carried out in the previous financial years which are unrealised gains and are not available for income distribution, as well as balance of undistributed realised net income.

Note 2:

Being Net Asset Value before reflecting income distribution paid during the current period.

Note 3:

Being Net Asset Value after reflecting income distribution paid and provided during the current period.

(The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.09.2016 RM	Restated Preceding Corresponding Quarter 30.09.2015 RM	Current Quarter 30.09.2016 RM	Restated Preceding Corresponding Quarter 30.09.2015 RM
GROSS REVENUE	14,410,984	15,501,087	43,090,289	46,023,348
PROPERTY EXPENSES				
Assessment	(175,016)	(306,675)	(495,570)	(997,200)
Quit rent	(27,182)	(42,691)	(63,413)	(126,612)
Other property operating expenses	(819,485)	(1,214,041)	(2,425,555)	(3,393,244)
TOTAL PROPERTY EXPENSES	(1,021,683)	(1,563,408)	(2,984,537)	(4,517,056)
Net rental income	13,389,300	13,937,679	40,105,751	41,506,292
Interest income	153,183	662,505	1,430,960	1,758,764
Other income	5,410	27,325	511,925	430,170
TOTAL TRUST INCOME	13,547,893	14,627,509	42,048,636	43,695,227
TRUST EXPENSES				
Manager's fee	(1,264,902)	(1,242,643)	(3,736,954)	(3,700,848)
Trustee's fee	(92,759)	(90,460)	(274,043)	(271,396)
Administrative expenses	(89,192)	(78,695)	(267,062)	(267,729)
Valuation fee	-	-	(75,400)	-
Interest expenses	(3,397,715)	(4,211,661)	(10,149,310)	(12,610,573)
Other trust expense	(108,344)	(364,794)	(543,741)	(587,826)
TOTAL TRUST EXPENSES	(4,952,913)	(5,988,252)	(15,046,510)	(17,438,372)
INCOME FOR THE FINANCIAL PERIOD	8,594,980	8,639,257	27,002,126	26,256,854
Taxation	-	-	-	-
INCOME AFTER TAXATION	8,594,980	8,639,257	27,002,126	26,256,854
DISTRIBUTION TO UNITHOLDERS (Note 1)				
- from current period realised net income	(8,165,231)	(8,639,257)	(25,652,020)	(25,777,958)
- from previous period realised net income	-	-	-	-
	(8,165,231)	(8,639,257)	(25,652,020)	(25,777,958)
REALISED INCOME RETAINED	429,749	-	1,350,106	478,896
UNREALISED INCOME RETAINED / (UTILISED)	-	-	-	-

Note 1:

For the financial quarter ended 30 September 2016 the Manager proposes to distribute RM8,165,231 i.e.95% from current period's net realised income. The distribution amount will be reflected in the next quarter's report.

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST
 INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Quarter 30.09.2016 RM	Preceding Corresponding Quarter 30.09.2015 RM	Current Year To-date 30.09.2016 RM	Preceding Corresponding Quarter 30.09.2015 RM
Net income for the financial period is made up as follows:					
- realised		8,594,980	8,639,257	27,002,126	26,256,854
- unrealised		-	-	-	-
Changes in fair value of investment properties		-	-	-	-
		8,594,980	8,639,257	27,002,126	26,256,854
EARNINGS PER UNIT (SEN) B16					
- after manager fees (sen)		1.4994	1.5071	4.7106	4.5806
- before manager fees (sen)		1.7201	1.7239	5.3625	5.2262
DISTRIBUTION PER UNIT (SEN) (Note 1) B17					
- realised from current period		1.4245	1.5071	4.4751	4.4970
- realised from previous period		-	-	-	-
		1.4245	1.5071	4.4751	4.4970
DISTRIBUTION PER UNIT (%) (Note 1)					
- realised from current period	B17	95%	100%	95%	98%
- realised from previous period		0%	0%	0%	0%
		95%	100%	95%	98%

Note 1:

The Manager distributes at least 95% (or such other percentage as determined by the Manager in its absolute discretion) of the distributable income with effect from the Financial Year 2010.

For the financial quarter ended 30 September 2016, the Manager proposed to distribute 95% of the net realised income from the current period's realised income. The distribution amount will be reflected in the next quarter's report. The cumulative distribution per unit for financial year ended 30 September 2016 is 95%. The distribution per unit (sen) is calculated based on the total distribution made for the financial period over the number of units in circulation at the end of the financial period.

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
FROM 1 JANUARY 2016 TO 30 SEPTEMBER 2016 (UNAUDITED)

	----- Distributable Income -----			Total RM
	Unitholder's Capital RM	Realised RM	Unrealised RM	
At 1 January 2016	519,685,915	19,810,650	142,043,281	681,539,845
Operation for the financial period ended 30 September 2016				
Total comprehensive income for the financial period	-	27,002,126	-	27,002,126
Realisation of distributable income from disposal of properties				
<i>Increase in net assets resulting from operations</i>	-	27,002,126	-	27,002,126
Unitholders' transactions				
Distribution to unitholders - 2015 final	-	(10,366,926)	-	(10,366,926)
Distribution to unitholders - Q1, 2016	-	(8,967,104)	-	(8,967,104)
Distribution to unitholders - Q2, 2016	-	(8,520,032)	-	(8,520,032)
<i>Increase in net assets resulting from unitholders' transactions</i>	-	(27,854,061)	-	(27,854,061)
At 30 September 2016	519,685,915	18,958,715	142,043,281	680,687,910

(The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST
 INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
 FROM 1 JANUARY 2015 TO 31 DECEMBER 2015 (AUDITED)

	----- Distributable Income -----			Total RM
	Unitholder's Capital RM	Realised RM	Unrealised RM	
At 1 January 2015	519,685,915	17,443,583	120,821,699	657,951,197
Operation for the financial period ended 31 December 2015				
Total comprehensive income for the financial period	-	36,622,978	23,059,600	59,682,578
Realisation of unrealised income upon disposal of investment property	-	1,838,018	(1,838,018)	-
<i>Increase in net assets resulting from operations</i>	-	38,460,996	21,221,582	59,682,578
Unitholders' transactions				
Distribution to unitholders - 2014 final	-	(10,317,851)	-	(10,317,851)
Distribution to unitholders - Q1, 2015	-	(8,021,209)	-	(8,021,209)
Distribution to unitholders - Q2, 2015	-	(9,115,915)	-	(9,115,915)
Distribution to unitholders - Q3, 2015	-	(8,638,954)	-	(8,638,954)
<i>Increase in net assets resulting from unitholders' transactions</i>	-	(36,093,929)	-	(36,093,929)
At 31 December 2015	519,685,915	19,810,650	142,043,281	681,539,846

(The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

CONDENSED STATEMENT OF CASH FLOW

	Current Year To-date 30.09.2016 RM	Preceding Year To-date 31.12.2015 RM
Cash Flows From Operating Activities		
Income before taxation	27,002,126	59,682,578
Adjustment for:-		
Finance costs	10,149,310	17,159,294
Interest income	(1,430,960)	(2,650,771)
Change in the fair value of properties	-	(23,059,600)
Operating income before working capital changes	<u>35,720,476</u>	<u>51,131,501</u>
Changes in working capital:-		
Trade and other receivables	(6,442,289)	6,301,077
Trade and other payables	(95,220,345)	(9,672,933)
Net cash from operating activities	<u>(65,942,158)</u>	<u>47,759,645</u>
Cash Flows From Investing Activities		
Interest received	1,376,082	2,337,849
Proceeds from disposal of investment properties	78,000,000	34,000,000
Acquisition of investment property	(56,000,000)	-
Improvement of properties	-	(1,690,400)
Net cash from investing activities	<u>23,376,082</u>	<u>34,647,449</u>
Cash Flows From Financing Activities		
Distribution paid to unitholders		
- in respect of current financial year	(17,487,136)	(17,137,124)
- in respect of previous financial year	(10,366,926)	(10,317,810)
Interest paid	(9,180,551)	(15,637,672)
Net cash (used in) financing activities	<u>(37,034,613)</u>	<u>(43,092,606)</u>
Net increase in cash and cash equivalents	(79,600,689)	39,314,488
Cash and cash equivalents at beginning of financial period	<u>99,027,492</u>	<u>59,713,004</u>
Cash and cash equivalents at end of financial period	<u>19,426,803</u>	<u>99,027,492</u>
Cash and cash equivalents comprise:-		
Cash and bank balances	431,769	73,722
Deposits placed with licensed financial institutions	18,995,034	98,953,770
	<u>19,426,803</u>	<u>99,027,492</u>
	-	-

(The Condensed Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST
QUARTERLY UNAUDITED FINANCIAL RESULT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

A. DISCLOSURE REQUIREMENTS AS PER MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRS) 134

A1. BASIS OF PREPARATION

This quarterly financial report is unaudited and has been prepared in accordance with Malaysian Financial reporting Standards (MFRSs). In preparing this quarterly financial report MFRS 134: *Interim Financial Reporting* has been applied. In addition, this quarterly financial report has been prepared in accordance with Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

A2. METHOD OF COMPUTATION AND CHANGES IN ACCOUNTING POLICIES

The methods of computation used in the preparation of the quarterly financial report are consistent with those adopted in the preparation of the audited financial statements and audited information of AmanahRaya Real Estate Investment Trust (ARREIT or "Trust") for the financial year ended 31 December 2015. There is no impact upon the adoption of MFRSs on the financial reports.

A3. AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2015

The audit report of the Trust's financial statements for the financial year ended 31 December 2015 was not subject to any qualification.

A4. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of the Trust are not affected by any material seasonal or cyclical factor.

A5. UNUSUAL ITEMS

There were no items of unusual nature that affect the assets, liabilities, equities, net income or cash flows to be disclosed for the quarter under review.

A6. CHANGES IN ESTIMATES

This is not applicable as no estimates were previously reported.

A7. DEBTS AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date.

A8. INCOME DISTRIBUTION

The Trust has paid its first interim income distribution on 1 July 2016 amounting to RM8,967,104. The Trust has also made a provision for second interim income distribution amounting to RM8,520,032 to be paid on 7 October 2016. For the third quarter, the management has proposed and provided RM8,165,231 to be distributed to the unitholders.

A9. SEGMENTAL REPORTING

No segmental information was prepared as the Trust's activities are predominantly in one segment of the industry and occur predominantly in Malaysia.

A10. VALUATION OF INVESTMENT PROPERTIES

For the quarter under review, there were no changes in the fair values of the investment properties held since last revaluation exercise.

A11. MATERIAL AND SIGNIFICANT EVENT

There was no material event as at the latest practicable date from the date of this report.

A12. CHANGES IN THE COMPOSITION AND FUND SIZE OF THE TRUST

There were no changes in the composition of ARREIT for the current quarter and the total number of units issued stands at 573,219,858.

A13. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

A14. TRADE AND OTHER PAYABLES

Included in the Current and Non-Current Liabilities - Trade and Other Payables are tenant deposits of RM30,239,297 received from lessees for tenancy contracts with tenure of one to twenty five years.

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

B1. REVIEW OF PERFORMANCE

The Manager is pleased to report to the unitholders of ARREIT the results for the third financial quarter ended 30 September 2016.

For the period ended 30 September 2016, the Trust recorded a cumulative rental income of RM43,090,289 as against preceding corresponding period of RM46,023,348. The decrease in rental income of 6% was contributed by the disposal of Wisma AmanahRaya Jalan Ampang on 27 January 2016. Interest income was recorded lower at RM1,430,960 in comparison to the cumulative preceding quarter of RM1,758,764.

Total cumulative property expenses for the period under review decreased to RM2,984,537 from RM4,517,056 in the preceding corresponding period. The decrease was mainly due to reduction of property repair and maintenance expenses in this quarter.

On the other hand, total non-property expenses for the period has recorded a decrease from RM17,438,372 in the corresponding period to RM15,046,510. The decrease was mainly contributed by the lower interest term loan payment due to redemption of RM78million to Affin Bank Berhad on 27 January 2016 and settlement of RM30million prior to the disbursement of the Revolving Credit facility on 9 May 2016.

For the quarter under review, net income before tax is RM27,002,126 as against RM26,256,854 in the previous corresponding period.

B2. COMPARISON OF INCOME BEFORE TAXATION BETWEEN CURRENT QUARTER AND PRECEDING QUARTER

	Current Quarter 30.09.2016 RM	Preceding Corresponding Quarter 30.09.2015 RM
Revenue		
- Gross revenue (rental income)	14,410,984	15,501,087
- Interest and other income	158,593	689,830
- Changes in fair value of investment properties	-	-
Total	<u>14,569,576</u>	<u>16,190,917</u>
Expenses		
Property expenses	(1,021,683)	(1,563,408)
Non-property expenses	(4,952,913)	(5,988,252)
Total	<u>(5,974,597)</u>	<u>(7,551,660)</u>
Income before taxation	<u>8,594,980</u>	<u>8,639,257</u>

The Trust's rental income for the current quarter ended 30 September 2016 is lower by 7% than the preceding corresponding quarter. Interest income is slightly lower than last corresponding quarter by 77%.

The Trust's property expenses incurred for the current quarter was significantly lower in comparison to the preceding quarter partly due to the reduction in repair and maintenance costs for the properties. Non-property expenses is also lower than the previous corresponding quarter due to lower interest term loan payment due to redemption of RM78million to Affin Bank Berhad on 27 January 2016.

Net income before tax is recorded at RM8,594,980 which is decreased by 1% than the income before tax in the preceding corresponding quarter.

B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD - Cont'd

B3. PROSPECTS

The Manager is continuously ensuring the existing assets within the portfolio are well maintained to ensure the stability of rental income and the Trust benefits from capital appreciations.

Apart from that, the Manager is actively identifying good assets for new acquisition to continuously improve the yield and further diversify the portfolio to minimise the sectoral risk.

The strategy of having assets with long-term leases by reputable lessees shall continue to be the focus of ARREIT to ensure sustainable return.

B4. VARIANCES

This is not applicable as no profit forecast or profit guarantee was issued for this financial quarter.

B5. ACQUISITION OR DISPOSAL OF INVESTMENT PROPERTIES

On June 2015, ARREIT entered into sale and purchase agreement for the disposal of an investment property Wisma Amanahraya Jalan Ampang for a total consideration of RM78,000,000. The disposal of Wisma Amanahraya Jalan Ampang was completed on 27 January 2016.

On May 2016, the acquisition of Toshiba Building from Vila Armada Sdn Bhd for a total consideration of RM32,000,000 was completed and on August 2016 the acquisition of Deluge Factory from Pipeline Distribution (M) Sdn Bhd for a total consideration of RM24,000,000 was also completed.

B6. TAXATION

Pursuant to Section 61A(1) of the Income Tax Act, 1967 under the Finance Act 2006, where in the basis period for a year of assessment, 90% or more of the total income of the Trust is distributed to its unitholders, the total income of the Trust for that year of assessment shall be exempted from tax.

Thus, based on the income distribution made for the current quarter, the Trust has not provided any tax expenses for the period.

A numerical reconciliation between the applicable income tax expense and effective income tax expense on the Trust is as follows:

	Current Quarter 30.09.2016 RM	Preceding Corresponding Quarter 30.09.2015 RM	Current Year To-date 30.09.2016 RM	Preceding Year To-date 30.09.2015 RM
Earnings before taxation	8,594,980	8,639,257	27,002,126	26,256,854
Taxation at Malaysia				
Statutory tax rate @ 25%	2,148,745	2,159,814	6,750,532	6,564,214
Non-deductible expenses	101,815	126,300	304,928	280,966
Effect of interest income and other income not subject to tax	(38,296)	(165,627)	(357,741)	(439,692)
Effect of income not subject to tax	-	-	-	-
Effect of income distribution exempted from tax	(2,212,264)	(2,120,488)	(6,697,719)	(6,405,488)
Tax expenses	-	-	-	-

B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD - Cont'd

B7. CORPORATE PROPOSAL AND DEVELOPMENT

There were no new corporate proposal and development announced during the current quarter..

B8. As at 30 September 2016 The Trust's composition of investment portfolio are as follows:

	Acquisition cost (Asset & Enhancement) RM	Fair value as at 30.09.2016 RM	Percentage of fair value to Net Asset Value %	Percentage of fair value to Total Asset %
Investment properties				
<i>Hospitality</i>				
Holiday Villa Alor Setar	31,000,000	35,900,000	5.27	3.57
Holiday Villa Langkawi	57,161,319	80,920,000	11.89	8.04
<i>Education</i>				
SEGi College	52,500,000	65,500,000	9.62	6.51
* SEGi Campus College	145,000,000	170,000,000	24.97	16.89
<i>Commercial</i>				
Block A & B, South City Plaza	18,300,000	26,000,000	3.82	2.58
* Wisma Amanah Raya Berhad (Jalan Semantan)	53,000,000	72,000,000	10.58	7.16
* Selayang Mall	129,835,000	144,000,000	21.16	14.31
* Dana 13	99,120,000	110,000,000	16.16	10.93
<i>Industrial</i>				
* Silver Bird Factory	92,000,000	95,000,000	13.96	9.44
* AIC Factory	19,200,000	24,000,000	3.53	2.39
Gurun Automotive Warehouse	23,970,000	27,500,000	4.04	2.73
Wisma Comcorp	30,000,000	34,000,000	4.99	3.38
Toshiba	32,000,000	32,000,000	4.70	3.18
Deluge Factory	24,000,000	24,000,000	3.53	2.39
	807,086,319	940,820,000	138.22	93.50
Others				
Deposits placed with licensed financial institutions		18,995,034	2.79	1.89

++ *Asset held for sale*

* *Charged to financial institution for credit facility*

B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD - Cont'd

B9. BORROWINGS AND DEBT SECURITIES

	Current Year To-date 30.09.2016 RM	Preceding Year To-date 31.12.2015 RM
Long term borrowings - secured	256,230,000	364,230,000

The borrowings are secured by way of legal charge on certain properties of the Trust. The average effective interest rate (annualised) for these borrowings is 4.60% (preceding correspondence quarter: 4.65%). The gearing ratio is currently 27.45%.

	Current Year To-date 30.09.2016 RM	Preceding Year To-date 31.12.2015 RM
Short term borrowings - revolving credit facility	20,000,000	-

The facility are offered and limited by RM30 million. The average effective interest rate for these facility is COF + 0.5% (floating rate) and base on the tenure of 1, 3 and 6 months.

B10. UTILISATION OF PROCEEDS RAISED FROM ISSUANCE OF NEW UNITS

There is no issuance of new units during the financial quarter under review.

B11. SOFT COMMISSION

During the financial quarter ended 30 September 2016, the Manager or its delegates did not receive any soft commission from its broker, by virtue of transactions conducted by the Trust.

B12. PURCHASE OR DISPOSAL OF INVESTMENT IN QUOTED SECURITIES

During the financial quarter ended 30 September 2016, there was no purchase or disposal of investment in quoted securities.

B13. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Trust has no financial instrument with off balance sheet risks as at the latest practicable date from the date of the issuance of this report that might materially affect the position or business of the Trust.

B14. MATERIAL LITIGATION

In respect of the litigation which has arisen between AmanahRaya-REIT with Standard Confectionary Sdn Bhd and High-5 Conglomerate Berhad on Silver Bird Factory, the Court has given order for vacant possession and consequential relief to AmanahRaya-REIT. The manager has successfully repossess the Property on 4 July 2016.

B15. INCOME DISTRIBUTION

The following withholding tax rates would be applicable on distribution of income which is tax exempt at Trust level:-

<u>Types of unit holders</u>	<u>Rates of tax</u>
Resident unitholders;	
- Resident company	No withholding tax; tax at prevailing corporate tax rate
- Unitholders other than a resident company	Withholding tax at 10%; effective from 1 January 2012 to 31 December 2016
Non-resident unitholders;	
- Non-resident company	Withholding tax at 24%; effective from 1 January 2016 to 31 December 2016
- Non-resident institutional investor	Withholding tax at 10%; effective from 1 January 2012 to 31 December 2016
- Non-resident other than company and institutional investors	Withholding tax at 10%; effective from 1 January 2012 to 31 December 2016

B16. EARNINGS PER UNIT

The earnings per unit of the Trust have been computed by dividing the income after taxation for the period by the total number of units issued during the period.

	Current Quarter 30.09.2016 RM	Preceding Corresponding Quarter 30.09.2015 RM
Earnings after taxation	8,594,980	8,639,257
Total number of units issued	573,219,858	573,219,858
Earnings per unit (sen)		
- realised	1.4994	1.5071
- unrealised	-	-
	1.4994	1.5071

B17. DISTRIBUTION PER UNIT

The distribution per unit of the Trust has been computed by dividing the distribution amount for the period by the total number of units

	Current Quarter 30.09.2016 RM	Preceding Corresponding Quarter 30.09.2015 RM
Provision for income distribution	8,165,231	8,639,257
Total number of units issued	573,219,858	573,219,858
Distribution per unit (sen) (realised)	1.4245	1.5071

B18. STATEMENT BY THE DIRECTORS OF THE MANAGER

In the opinion of the Directors of the Manager, the quarterly report has been prepared in accordance with MFRS 134: *Interim Financial Reporting* and Paragraph 9.44 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad so as to give a true fair view of the financial position of ARREIT as 30 September 2016 and of its financial performance and cash flows for the quarter/period ended on that date and duly authorised for release by the Board of the Manager on 25 November 2016.

By Order of the Board
 JERRY JESUDIAN A/L JOSEPH ALEXANDER
 LEONG SHIAK WAN (f)
 Joint Company Secretaries
 AmanahRaya-REIT Managers Sdn Bhd (Company No. 856167-A)
 (As the Manager of AmanahRaya Real Estate Investment Trust)
 Kuala Lumpur
 Dated: 25 November 2016