

AMANAHRAYA REAL ESTATE INVESTMENT TRUST  
INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	As At End of Current Quarter (Unaudited) 30.09.2017 RM	As At End of Current Quarter (Audited) 31.12.2016 RM
<b>ASSETS</b>			
<b>Non-current asset</b>			
Investment properties	B8	986,400,000	986,400,000
		<b>986,400,000</b>	<b>986,400,000</b>
<b>Current assets</b>			
Trade and other receivables		3,882,741	9,771,227
Security deposits in Trust accounts and financial institution		21,545,013	23,830,594
Deposits placed with licensed financial institutions		23,839,581	20,061,280
Cash and bank balances		661,667	230,195
		<b>49,929,002</b>	<b>53,893,296</b>
<b>TOTAL ASSETS</b>		<b>1,036,329,002</b>	<b>1,040,293,296</b>
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Borrowings	B9	290,150,000	290,150,000
Trade and other payables	A14	14,120,960	14,120,960
		<b>304,270,960</b>	<b>304,270,960</b>
<b>Current liabilities</b>			
Borrowings	B9	25,000,000	25,000,000
Trade and other payables		12,488,603	16,795,514
Provision for income distributions	A8	7,661,106	8,165,094
		<b>45,149,709</b>	<b>49,960,608</b>
<b>TOTAL LIABILITIES</b>		<b>349,420,669</b>	<b>354,231,568</b>
<b>NET ASSET VALUE (NAV)</b>		<b>686,908,333</b>	<b>686,061,728</b>
<b>FINANCED BY:</b>			
<b>UNITHOLDERS' FUND</b>			
Unitholders' capital		519,685,915	519,685,915
Undistributed income (Note 1)		167,222,418	166,375,813
<b>Total unitholders' fund</b>		<b>686,908,333</b>	<b>686,061,728</b>
<b>NUMBER OF UNITS IN CIRCULATIONS</b>		<b>573,219,858</b>	<b>573,219,858</b>
<b>NET ASSET VALUE (NAV) PER UNIT (RM):</b>			
- Before income distribution (Note 2)		1.1983	1.1969
- After income distribution (Note 3)		1.1843	1.1826

**Note 1:**

This includes net appreciation in fair values of investment properties of RM139,313,681, 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 Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST  
INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.09.2017 RM	Restated Preceding Corresponding Quarter 30.9.2016 RM	Current Quarter 30.09.2017 RM	Restated Preceding Corresponding Quarter 30.9.2016 RM
<b>GROSS REVENUE</b>	<b>14,975,934</b>	<b>14,410,984</b>	<b>45,325,753</b>	<b>43,090,289</b>
<b>PROPERTY EXPENSES</b>				
Assessment	(272,983)	(175,016)	(972,300)	(495,570)
Quit rent	(39,289)	(27,182)	(140,411)	(63,413)
Other property operating expenses	(967,263)	(819,485)	(3,413,869)	(2,425,555)
<b>TOTAL PROPERTY EXPENSES</b>	<b>(1,279,535)</b>	<b>(1,021,683)</b>	<b>(4,526,580)</b>	<b>(2,984,537)</b>
Net rental income	13,696,399	13,389,300	40,799,173	40,105,751
Interest income	185,756	153,183	503,597	1,430,960
Other income	176,946	5,410	399,378	511,925
<b>TOTAL TRUST INCOME</b>	<b>14,059,102</b>	<b>13,547,893</b>	<b>41,702,148</b>	<b>42,048,636</b>
<b>TRUST EXPENSES</b>				
Manager's fee	(1,478,578)	(1,264,902)	(4,388,142)	(3,736,954)
Trustee's fee	(95,673)	(92,759)	(283,939)	(274,043)
Administrative expenses	(107,958)	(89,192)	(323,864)	(267,062)
Valuation fee	(37,736)	-	(37,736)	(75,400)
Interest expenses	(3,778,352)	(3,397,715)	(11,211,040)	(10,149,310)
Other trust expense	(118,405)	(108,344)	(606,439)	(543,741)
<b>TOTAL TRUST EXPENSES</b>	<b>(5,616,702)</b>	<b>(4,952,913)</b>	<b>(16,851,159)</b>	<b>(15,046,510)</b>
<b>INCOME FOR THE FINANCIAL PERIOD</b>	<b>8,442,400</b>	<b>8,594,980</b>	<b>24,850,988</b>	<b>27,002,126</b>
Taxation	-	-	-	-
<b>REALISED INCOME AFTER TAX</b>	<b>8,442,400</b>	<b>8,594,980</b>	<b>24,850,988</b>	<b>27,002,126</b>
<b>DISTRIBUTION TO UNITHOLDERS</b> <sup>(Note 1)</sup>				
- from current period realised net income	(8,020,280)	(8,165,231)	(23,858,767)	(25,652,020)
- from previous period realised net income	-	-	-	-
	<b>(8,020,280)</b>	<b>(8,165,231)</b>	<b>(23,858,767)</b>	<b>(25,652,020)</b>
<b>REALISED INCOME RETAINED</b>	<b>422,120</b>	<b>429,749</b>	<b>992,221</b>	<b>1,350,106</b>
<b>UNREALISED INCOME RETAINED / (UTILISED)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 1:**

For the financial quarter ended 30 September 2017 the Manager proposes to distribute RM8,020,280 i.e.95% from current period's net realised income . The distribution amount will be reflected in the next quarter's report.

(The Condensed Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the financial statements).

AMANABRAYA REAL ESTATE INVESTMENT TRUST  
 INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.09.2017 RM	Preceding Corresponding Quarter 30.9.2016 RM	Current Year To-date 30.09.2017 RM	Preceding Corresponding Quarter 30.9.2016 RM
Net income for the financial period is made up as follows:				
- realised	8,442,400	8,594,980	24,850,988	27,002,126
- unrealised	-	-	-	-
Changes in fair value of investment properties	-	-	-	-
	<b>8,442,400</b>	<b>8,594,980</b>	<b>24,850,988</b>	<b>27,002,126</b>
<b>EARNINGS PER UNIT (SEN) B16</b>				
- after manager fees (sen)	1.4728	1.4994	4.3353	4.7106
- before manager fees (sen)	1.7307	1.7201	5.1009	5.3625
<b>DISTRIBUTION PER UNIT (SEN) (Note 1) B17</b>				
- realised from current period	1.3992	1.4245	4.1622	4.4751
- realised from previous period	-	-	-	-
	<b>1.3992</b>	<b>1.4245</b>	<b>4.1622</b>	<b>4.4751</b>
<b>DISTRIBUTION PER UNIT (%) (Note 1)</b>				
- realised from current period B17	95%	95%	96%	95%
- realised from previous period	0%	0%	0%	0%
	<b>95%</b>	<b>95%</b>	<b>96%</b>	<b>95%</b>

**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 2017, 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 2017 is 96%. 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 Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST  
 INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE  
 FROM 1 JANUARY 2017 TO 30 SEPTEMBER 2017 (UNAUDITED)

	Unitholder's Capital RM	---- Distributable Income -----		Total RM
		Realised RM	Unrealised RM	
At 1 January 2017	519,685,915	27,434,146	138,941,667	686,061,728
<b>Operation for the financial period ended 30 September 2017</b>				
Total comprehensive income for the financial period	-	24,850,988	-	24,850,988
Realisation of distributable income from disposal of properties	-	-	-	-
<i>Increase in net assets resulting from operations</i>	-	24,850,988	-	24,850,988
<b>Unitholders' transactions</b>				
Distribution to unitholders - 2016 final	-	(8,165,371)	-	(8,165,371)
Distribution to unitholders - Q1, 2017	-	(8,177,381)	-	(8,177,381)
Distribution to unitholders - Q2, 2017	-	(7,661,631)	-	(7,661,631)
<i>Increase in net assets resulting from unitholders' transactions</i>	-	(24,004,383)	-	(24,004,383)
At 30 September 2017	519,685,915	28,280,751	138,941,667	686,908,333

(The Condensed Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST  
 INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE  
 FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (AUDITED)

	Unitholder's Capital RM	---- Distributable Income ----		Total RM
		Realised RM	Unrealised RM	
<b>At 1 January 2016</b>	519,685,915	19,810,650	142,043,281	681,539,846
<b>Operation for the financial period ended 31 December 2016</b>				
Total comprehensive income for the financial period	-	35,333,189	5,207,986	40,541,175
Realisation of unrealised income upon disposal of investment property	-	8,309,600	(8,309,600)	-
<i>Increase in net assets resulting from operations</i>	-	43,642,789	(3,101,614)	40,541,175
<b>Unitholders' transactions</b>				
Distribution to unitholders - 2015 final	-	(10,366,124)	-	(10,366,124)
Distribution to unitholders - Q1, 2016	-	(8,966,757)	-	(8,966,757)
Distribution to unitholders - Q2, 2016	-	(8,521,181)	-	(8,521,181)
Distribution to unitholders - Q3, 2016	-	(8,165,231)	-	(8,165,231)
<i>Increase in net assets resulting from unitholders' transactions</i>	-	(36,019,293)	-	(36,019,293)
<b>At 31 December 2016</b>	<b>519,685,915</b>	<b>27,434,146</b>	<b>138,941,667</b>	<b>686,061,728</b>

(The Condensed Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST  
 INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

CONDENSED STATEMENT OF CASH FLOW

	Current Year To-date 30.09.2017 RM	Preceding Year To-date 31.12.2016 RM
<b>Cash Flows From Operating Activities</b>		
Income before taxation	24,850,988	40,541,175
Adjustment for:-		
Finance costs	11,211,040	13,255,382
Interest income	(503,597)	(1,585,321)
Change in the fair value of properties	-	(5,207,986)
Operating income before working capital changes	<u>35,558,431</u>	<u>47,003,250</u>
<b>Changes in working capital:-</b>		
Trade and other receivables	8,234,849	5,989,150
Trade and other payables	(5,064,287)	563,169
<b>Net cash from operating activities</b>	<u><b>38,728,994</b></u>	<u><b>53,555,569</b></u>
<b>Cash Flows From Investing Activities</b>		
Interest received	442,815	1,519,900
Proceeds from disposal of investment properties	-	78,000,000
Acquisition of investment property	-	(96,000,000)
Improvement of properties	-	(372,014)
<b>Net cash from investing activities</b>	<u><b>442,815</b></u>	<u><b>(16,852,114)</b></u>
<b>Cash Flows From Financing Activities</b>		
Distribution paid to unitholders		
- in respect of current financial year	(15,839,012)	(17,487,938)
- in respect of previous financial year	(8,165,371)	(10,366,124)
Drawdown of term loan	-	(108,000,000)
Repayment of term loan	-	33,920,000
Interest paid	(10,957,652)	(13,505,410)
<b>Net cash (used in) financing activities</b>	<u><b>(34,962,035)</b></u>	<u><b>(115,439,472)</b></u>
<b>Net increase in cash and cash equivalents</b>	4,209,773	(78,736,017)
<b>Cash and cash equivalents at beginning of financial period</b>	20,291,475	99,027,492
<b>Cash and cash equivalents at end of financial period</b>	<u><b>24,501,248</b></u>	<u><b>20,291,475</b></u>
<b>Cash and cash equivalents comprise:-</b>		
Cash and bank balances	661,667	230,195
Deposits placed with licensed financial institutions	23,839,581	20,061,280
	<u><b>24,501,248</b></u>	<u><b>20,291,475</b></u>

(The Condensed Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the financial statements).

**AMANAHRAYA REAL ESTATE INVESTMENT TRUST**  
**QUARTERLY UNAUDITED FINANCIAL RESULT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017**

**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 2016. There is no impact upon the adoption of MFRSs on the financial reports.

**A3. AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2016**

The audit report of the Trust's financial statements for the financial year ended 31 December 2016 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 14 July 2017 amounting to RM8,177,381. The Trust has also made the payment for second interim income distribution amounting to RM7,661,106 which had been be paid on 13 October 2017. For the third quarter, the management has proposed and provided RM8,020,280 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 change in the fair values of the investment properties held since last revaluation exercise.

**A11. MATERIAL AND SIGNIFICANT EVENT**

On 19 December 2016, the Manager ARRM, namely Amanah Raya Berhad ("ARB") had on 19 December 2016 entered into the following agreements with KDA Capital Malaysia Sdn Bhd ("KDA Capital"): Share Sale Agreement between ARB and KDA Capital in respect of the proposed disposal by ARB of 735,000 ordinary shares of RM1.00 each in ARRM equivalent to 49% shareholdings in ARRM to KDA Capital for a cash consideration of RM5,145,000 only;

Shareholders Agreement between ARB and KDA Capital to regulate the relationship between ARB and KDA Capital as shareholders of ARRM; and

REIT Unit Sale Agreement between ARB and KDA Capital in respect of the proposed purchase of 85,982,979 REIT units representing 15% of AmanahRaya REIT's units from ARB by KDA Capital at RM1.00 per REIT unit equivalent to RM85,982,979 by way of Direct Business Transaction.

The agreement has been completed on 13 March 2017.

The management company is now known as AmanahRaya-Kenedix Reit Manager Sdn Bhd.

## 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 RM16,044,593 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 2017.

For the period ended 30 September 2017, the Trust recorded a cumulative rental income of RM45,325,753 as against preceding corresponding period of RM43,090,289. The increase in rental income of 5% was contributed by the acquisition of three (3) new properties on 2016. Interest income and other income were recorded lower at RM902,975 in comparison to the cumulative preceding quarter of RM1,942,885 due to lower fixed deposit placement and zero late interest charge incurred in 2017. The other income mainly consists of utilities usage charges at Contraves Building in Cyberjaya..

Total cumulative property expenses for the period under review increased to RM4,526,580 from RM2,984,537 in the preceding corresponding period. The increase was mainly due to the higher in repair & maintenance expenses, quit rent, insurance and also assessment of new acquisition and tenancy renewal properties.

On the other hand, total cumulative non-property expenses for the period also has recorded an increase from RM15,046,510 in the corresponding period to RM16,851,159. The increase was mainly contributed by the interest term loan from Public Bank Berhad and the increase in management fee that due to the change of base fee from 0.75% to 0.85% of Net Asset Value of ARREIT although the Affin Bank Berhad term loan interest have decreased as compared with last quarter of 2016.

For the quarter under review, net income before tax was RM24,850,988 as against RM27,002,126 in the previous corresponding period.

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

	Current Quarter 30.09.2017 RM	Preceding Corresponding Quarter 30.9.2016 RM
Revenue		
- Gross revenue (rental income)	14,975,934	14,410,984
- Interest and other income	362,702	158,593
- Changes in fair value of investment properties	-	-
Total	<u>15,338,636</u>	<u>14,569,576</u>
Expenses		
Property expenses	(1,279,535)	(1,021,683)
Non-property expenses	(5,616,702)	(4,952,913)
Total	<u>(6,896,236)</u>	<u>(5,974,597)</u>
Income before taxation	<u>8,442,400</u>	<u>8,594,980</u>

The Trust's rental income for the current quarter ended 30 September 2017 is higher by 4% than the preceding corresponding quarter. Interest income and other income are slightly lower than last corresponding quarter by 29%.

The Trust's property expenses incurred for the current quarter was significantly higher in comparison to the preceding quarter partly due to the increase in repair and maintenance costs of new acquisition and tenancy renewal properties. Non-property expenses is also higher than the previous corresponding quarter due by the interest term loan from Public Bank Berhad and the increase in management fee that due to the change of base fee from 0.75% to 0.85% of Net Asset Value of ARREIT.

Net income before tax is recorded at RM8,442,400 which is decreased by 2% 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**

There was no acquisition of investment property during the quarter under review.

**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:

	<b>Current Quarter 30.09.2017 RM</b>	<b>Preceding Corresponding Quarter 30.9.2016 RM</b>	<b>Current Year To-date 30.09.2017 RM</b>	<b>Preceding Year To-date 30.9.2016 RM</b>
Earnings before taxation	8,442,400	8,594,980	24,850,988	27,002,126
Taxation at Malaysia Statutory tax rate @ 25%	2,110,599.00	2,359,673	6,212,748.00	2,359,673
Non-deductible expenses	82,756	123,952	291,432	123,952
Effect of interest income and other income not subject to tax	(46,440)	(206,717)	(125,900)	(206,717)
Effect of income not subject to tax	-	-	-	-
Effect of income distribution exempted from tax	(2,146,915)	(2,276,908)	(6,378,280)	(2,276,908)
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 2017 The Trust's composition of investment portfolio are as follows:

	Acquisition cost (Asset & Enhancement) RM	Fair value as at 30.09.2017 RM	Percentage of fair value to Net Asset Value %	Percentage of fair value to Total Asset %
<b>Investment properties</b>				
<i>Hospitality</i>				
Holiday Villa Alor Setar	31,000,000	35,900,000	5.23	3.46
Holiday Villa Langkawi	57,161,319	81,000,000	11.79	7.82
<i>Education</i>				
SEGi College	52,500,000	66,500,000	9.68	6.42
* SEGi Campus College	145,000,000	174,000,000	25.33	16.79
<i>Commercial</i>				
Block A & B, South City Plaza	18,300,000	16,000,000	2.33	1.54
* Wisma Amanah Raya Berhad (Jalan Semantan)	53,000,000	72,000,000	10.48	6.95
* Selayang Mall	129,835,000	146,500,000	21.33	14.14
* Dana 13	99,120,000	110,000,000	16.01	10.61
<i>Industrial</i>				
* Silver Bird Factory	92,000,000	102,000,000	14.85	9.84
* AIC Factory	19,200,000	30,000,000	4.37	2.89
Gurun Automotive Warehouse	23,970,000	20,000,000	2.91	1.93
Wisma Comcorp	30,000,000	35,500,000	5.17	3.43
Toshiba	32,000,000	32,000,000	4.66	3.09
Deluge Factory	24,000,000	25,000,000	3.64	2.41
* Contraves	40,000,000	40,000,000	5.82	3.86
	<b>847,086,319</b>	<b>986,400,000</b>	<b>143.60</b>	<b>95.18</b>
<b>Others</b>				
Deposits placed with licensed financial institutions		23,839,581	3.47	2.30
++ <i>Asset held for sale</i>				
* <i>Charged to financial institution for credit facility</i>				

**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 30.09.2017 RM	Preceding Year To-date 31.12.2016 RM
Long term borrowings - secured	290,150,000	290,150,000

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 30.41%.

	Current Year To-date 30.09.2017 RM	Preceding Year To-date 31.12.2016 RM
Short term borrowings - revolving credit facility	25,000,000	-

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 2017, 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 2017, 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 repossessed 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>
<b>Resident unitholders;</b>	
- 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 2019
<b>Non-resident unitholders;</b>	
- Non-resident company	Withholding tax at 24%; effective from 1 January 2016 to 31 December 2017
- Non-resident institutional investor	Withholding tax at 10%; effective from 1 January 2012 to 31 December 2019
- Non-resident other than company and institutional investors	Withholding tax at 10%; effective from 1 January 2012 to 31 December 2019

## 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 30.09.2017 RM	Preceding Corresponding Quarter 30.9.2016 RM
Earnings after taxation	8,442,400	8,594,980
Total number of units issued	573,219,858	573,219,858
Earnings per unit (sen)		
- realised	1.4728	1.4994
- unrealised	-	-
	1.4728	1.4994

## 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 issued.

	Current Quarter 30.09.2017 RM	Preceding Corresponding Quarter 30.9.2016 RM
Provision for income distribution	8,020,280	8,165,231
Total number of units issued	573,219,858	573,219,858
Distribution per unit (sen) (realised)	1.3992	1.4245

## 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 2017 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 24 November 2017.

By Order of the Board  
JERRY JESUDIAN A'L JOSEPH ALEXANDER  
LEONG SHIAK WAN (f)  
Joint Company Secretaries  
AmanahRaya-KENEDIX REIT Manager Sdn Bhd (Company No. 856167-A)  
(As the Manager of AmanahRaya Real Estate Investment Trust)  
Kuala Lumpur  
Dated: 24 November 2017