

AMANAHRAYA ■ REIT

INTERIM FINANCIAL STATEMENTS FOR 3RD QUARTER ENDED 30 SEPTEMBER 2008

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AMANAHRAYA REAL ESTATE INVESTMENT TRUST
 INTERIM FINANCIAL REPORT FOR PERIOD ENDED 30 SEPTEMBER 2008 (UNAUDITED)

CONDENSED BALANCE SHEETS

		(Unaudited)	(Audited)
		As at end of current quarter 30.09.2008 RM	As at preceding financial period ended 31.12.2007 RM
ASSET	Note		
Non-current asset			
Investment properties		649,520,000	645,520,000
		649,520,000	645,520,000
Current assets			
Trade and other receivables		618,973	85,613,677
Money placement (security deposit)		42,310,619	41,079,733
Deposits placed with licensed financial institutions		15,472,394	17,310,494
Cash and bank balances		163,511	360,364
		58,565,497	144,364,268
TOTAL ASSETS		708,085,497	789,884,268
LIABILITIES			
Non-current liabilities			
Borrowings	B8	253,000,000	253,000,000
		253,000,000	253,000,000
Current liabilities			
Trade and other payables		43,886,014	125,631,330
Provision for income distribution	A7	7,720,665	6,285,487
		51,606,679	131,916,817
TOTAL LIABILITIES		304,606,679	384,916,817
NET ASSET VALUE (NAV)		403,478,818	404,967,451
FINANCED BY:			
UNITHOLDERS' FUND			
Unitholders' capital		403,478,265	404,967,105
Undistributed income		553	346
Total unitholders' fund		403,478,818	404,967,451
NUMBER OF UNITS IN CIRCULATIONS ('000)		431,553,191	431,553,191
# NET ASSET VALUE (NAV) PER UNIT (RM)		0.9349	0.9384

NAV per unit is the net of provision for income distribution to unitholders

(The condensed balance sheet should be read in conjunction with the Audited Financial Statement for the period ended 31 December 2007 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST
 INTERIM FINANCIAL REPORT FOR PERIOD ENDED 30 SEPTEMBER 2008 (UNAUDITED)

CONDENSED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.09.2008 RM	Preceding Corresponding Quarter 30.09.2007 RM	Current Year To-date 30.09.2008 RM	Preceding Year To-date 30.09.2007 RM
GROSS REVENUE	11,419,284	5,710,977	34,188,146	13,529,575
Assessment	(85,423)	(85,145)	(254,415)	(201,305)
Quit rent	(2,964)	(2,843)	(8,826)	(6,709)
Other property operating expenses	(173,168)	(184,513)	(500,681)	(435,420)
TOTAL PROPERTY EXPENSES	(261,555)	(272,501)	(763,922)	(643,434)
Net rental income	11,157,729	5,438,476	33,424,224	12,886,141
Interest income	200,254	109,485	552,124	252,416
TOTAL TRUST INCOME	11,357,983	5,547,961	33,976,348	13,138,557
TRUST EXPENSES				
Manager's fee	(315,875)	(136,099)	(932,609)	(317,323)
Trustee's fee	(42,117)	(18,147)	(124,348)	(42,310)
Administrative expenses	(100,806)	(35,037)	(300,566)	(82,620)
Interest expenses	(3,178,524)	(2,223,120)	(9,466,475)	(5,219,489)
TOTAL TRUST EXPENSE	(3,637,322)	(2,412,403)	(10,823,998)	(5,661,742)
NET TRUST INCOME	7,720,661	3,135,558	23,152,350	7,476,815
Net appreciation on fair values of investment properties - #	-	-	-	-
INCOME BEFORE TAXATION	7,720,661	3,135,558	23,152,350	7,476,815
Taxation	-	-	-	-
INCOME AFTER TAXATION	7,720,661	3,135,558	23,152,350	7,476,815
PROVISION FOR INCOME DISTRIBUTION	(7,720,661)	(3,135,558)	(23,152,350)	(7,476,815)
NET EARNINGS RETAINED	-	-	-	-

AMANAHRAYA REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL REPORT FOR PERIOD ENDED 30 SEPTEMBER 2008 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Year 30.09.2008 RM	Preceding Corresponding Quarter 30.09.2007 RM	Current Year To-date 30.09.2008 RM	Preceding Year To-date 30.09.2007 RM
EARNING PER UNIT (SEN)				
- after manager fees (sen)	1.789	1.704	5.365	4.063
- before manager fees (sen)	1.862	1.778	5.581	4.235
DISTRIBUTION PER UNIT (SEN)	1.789	1.693	5.365	4.063
EARNINGS BEFORE TAXATION IS MADE UP AS FOLLOWS:				
Realised	7,720,661	3,135,558	23,152,350	7,476,815
Unrealised	-	-	-	-
	7,720,661	3,135,558	23,152,350	7,476,815

The net appreciation on fair values of investment properties is the surplus of appraised values over acquisition costs arising from acquisition completed in the financial year or the last valuation date. This is an unrealised gain and is not available for income distribution.

(The Condensed Income Statement should be read in conjunction with the Unaudited Financial Statement for the year ended 31 December 2007 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE

FROM 26 FEBRUARY 2007 TO 30 SEPTEMBER 2007

	Unitholder's Capital RM	Non Distributable Revaluation Reserve RM	Distributable Undistributed Income (realised) RM	Total RM
Net assets as at 26 February 2007	-	-	-	-
Operation for the financial period ended 30 September 2007				
Net income for the financial period	-	-	7,476,815	7,476,815
Movement in revaluation reserves	-	-	-	-
<i>Increase in net assets resulting from operations</i>	-	-	7,476,815	7,476,815
Unitholders' transactions				
Proceed from creation of units	180,274,060	-	-	180,274,060
Distribution to unitholders - provision	-	-	(7,476,815)	(7,476,815)
Listing expenses	(6,091,000)	-	-	(6,091,000)
<i>Decrease in net assets resulting from unitholders' transactions</i>	174,183,060	-	(7,476,815)	166,706,245
Net assets as at 30 September 2007	174,183,060	-	-	174,183,060

AMANAHRAYA REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE

FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008 (Unaudited)

	Unitholder's Capital RM	Non Distributable Revaluation Reserve RM	Distributable Undistributed Income (realised) RM	Total RM
Net assets as at 1 January 2008	404,967,105	-	346	404,967,451
Operation for the financial period ended 30 September 2008				
Net income for the financial period	-	-	23,152,350	23,152,350
Movement in revaluation reserves				
<i>Increase in net assets resulting from operations</i>	-	-	<i>23,152,350</i>	<i>23,152,350</i>
Unitholders' transactions				
Proceed from creation of units	-	-	-	-
Distribution to unitholders - provision	-	-	(7,720,661)	(7,720,661)
Distribution to unitholders - paid	-	-	(15,431,482)	(15,431,482)
Listing expenses *	(1,488,840)	-	-	(1,488,840)
<i>Decrease in net assets resulting from unitholders' transactions</i>	<i>(1,488,840)</i>	-	<i>(23,152,143)</i>	<i>(24,640,983)</i>
Net assets as at 30 September 2008	403,478,265	-	553	403,478,818

* Listing expenses refers to expenses incurred for capital listing of shares issued under the second capital injection.

(The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2007 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST
 INTERIM FINANCIAL REPORT FOR PERIOD ENDED 30 SEPTEMBER 2008 (UNAUDITED)

CONDENSED CASH FLOW STATEMENT

	Current Year To-date 30.09.2008 RM	Preceding Year To-date 30.09.2007 RM
Cash Flows From Operating Activities		
Income before taxation	23,152,350	7,476,815
Adjustment for:-		
Interest expense	9,466,475	5,219,489
Interest income	(552,124)	(252,416)
Operating income before working capital changes	32,066,701	12,443,888
Changes in working capital:-		
Decrease/(Increase) in trade and other receivables	84,994,704	(307,444)
Increase in money placement (security deposit)	(1,230,886)	(15,073,357)
(Decrease)/Increase in trade and other payables	(81,745,316)	16,280,754
Net cash generated from operating activities	34,085,203	13,343,841
Cash Flows From Investing Activities		
Interest received	552,124	252,416
Purchase of investment property	(4,000,000)	(336,850,000)
Net cash used in investing activities	(3,447,876)	(336,597,584)
Cash Flows From Financing Activities		
Distribution paid to unitholders	(21,716,965)	-
Listing expenses	(1,488,840)	(6,091,000)
Proceeds from issuance of units	-	180,274,060
Proceeds from borrowings	-	168,000,000
Interest paid	(9,466,475)	(5,122,850)
Net cash (used in)/generated from financing activities	(32,672,280)	337,060,210
Net (decrease)/increase in cash and cash equivalents	(2,034,953)	13,806,467
Cash and cash equivalents at beginning of the period	17,670,858	-
Cash and cash equivalents at end of the period	15,635,905	13,806,467
Cash and cash equivalents comprise:-		
Cash and bank balances	163,511	721
Deposits placed with licensed financial institutions	15,472,394	13,805,746
	15,635,905	13,806,467

(The Condensed Cash Flow Statement should be read in conjunction with the Unaudited Financial Statement for the year ended 31 December 2007 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST
QUARTERLY UNAUDITED FINANCIAL RESULT FOR THE 3RD QUARTER ENDED
30 SEPTEMBER 2008

A. DISCLOSURE REQUIREMENTS AS PER FINANCIAL REPORTING STANDARDS (FRS) 134
(FORMERLY KNOWN AS MALAYSIAN ACCOUNTING STANDARDS BOARD (MASB) 26)

A1. BASIS OF PREPARATION

The quarterly financial report is unaudited and has been prepared in accordance with FRS 134 and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation used in the preparation of the quarterly financial report are consistent with those adopted in the preparation of the audited financial information of AmanahRaya Real Estate Investment Trust (ARREIT or "Trust") for year ended 31 December 2007.

A2. AUDIT REPORT OF PRECEDING FINANCIAL PERIOD ENDED 31 DECEMBER 2007

The audit report of the Trust's financial statements for the financial period ended 31 December 2007 was not subject to any qualification.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

A4. EXCEPTIONAL OR UNUSUAL ITEMS

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

A5. CHANGES IN ESTIMATES

This is not applicable as no estimates were previously reported.

A6. 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.

A7. INCOME DISTRIBUTION

During the quarter under review, the following income distribution (gross) has been paid by ARREIT in respect of financial period ended 30 June 2008:

<u>Date of payment</u>	<u>Per unit</u>	<u>Total amount paid</u>
	Sen	RM
29 August 2008	3.5758	15,431,482

A provision was made to distribute 100% of the income before tax (unaudited) for the quarter 30 September 2008 amounting to RM7,721,214 .

**AMANAHRAYA REAL ESTATE INVESTMENT TRUST
QUARTERLY UNAUDITED FINANCIAL RESULT FOR THE 3RD QUARTER ENDED
30 SEPTEMBER 2008**

**A. DISCLOSURE REQUIREMENTS AS PER FINANCIAL REPORTING STANDARDS (FRS) 134
(FORMERLY KNOWN AS MALAYSIAN ACCOUNTING STANDARDS BOARD (MASB) 26)**

A8. 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.

A9. VALUATION OF INVESTMENT PROPERTIES

For the quarter under review, there were no changes in the value of the investment properties held.

A10. SIGNIFICANT SUBSEQUENT EVENTS

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

A11. CHANGES IN THE COMPOSITION OF THE TRUST

There were no changes in the composition of ARREIT for the current quarter and the total number of units issued stand at 431,553,191 units.

A12. CONTINGENT LIABILITIES

There were no contingent liabilities to be disclosed.

AMANAHRAYA REAL ESTATE INVESTMENT TRUST
QUARTERLY UNAUDITED FINANCIAL RESULT FOR THE 3RD QUARTER ENDED
30 SEPTEMBER 2008

B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.22 (APPENDIX 9B, PART A) OF
BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

For the quarter ended 30 September 2008, the Trust recorded a total revenue of RM 11,619,538 including an interest income of RM200,254. Total expenditure for the quarter under review was RM3,898,877, of which RM261,555 were attributable to property expenses and RM3,637,322 to non property expenses. For the quarter under review, income before taxation (realised) and available for distribution amounted to RM7,720,661.

ARREIT has made a provision for income distribution amounting to RM15,431,482 in the previous quarter ended 30 June 2008, and has been paid out on 29 August 2008.

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

	Current Quarter 30.09.2008 RM	Preceding Quarter 30.06.2008 RM
Revenue		
- Gross revenue (rental income)	11,419,284	11,418,879
- Interest income	200,254	196,855
Total	<u>11,619,538</u>	<u>11,615,734</u>
Expenses		
Property expenses	(261,555)	(259,462)
Non property expenses	(3,637,322)	(3,612,581)
Total	<u>(3,898,877)</u>	<u>(3,872,043)</u>
Earnings before taxation	<u>7,720,661</u>	<u>7,743,691</u>

The Trust's revenue for the current quarter ended 30 September 2008 increased from RM11,615,734 to RM11,619,538, whereas earnings before taxation dropped from RM7,743,691 to RM7,720,661. This is due to increase in property and non property expenses outpaced the increase in revenue.

B3. PROSPECTS

The Manager is continuously ensuring the existing assets within the portfolio are well maintained to ensure the stability of rental incomes and the fund 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 balance the sectoral risks.

The strategy of having assets with long-term lease by reputable tenants shall continue to be the focus of ARREIT

AMANAHRAYA REAL ESTATE INVESTMENT TRUST
QUARTERLY UNAUDITED FINANCIAL RESULT FOR THE 3RD QUARTER ENDED
30 SEPTEMBER 2008

B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.22 (APPENDIX 9B, PART A) OF
BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B4. VARIANCES

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

B5. PURCHASE OF INVESTMENT PROPERTIES

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

B6. TAXATION

Pursuant to the amendment of Section 61A 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 unitholder. The total income of the trust for the year of assessment shall be exempted from tax.

Thus, based on a 100% income distributed for the current quarter, the Trust has not provided any tax expenses for the period.

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

	Current Quarter Year 30.09.2008 RM	Preceding Corresponding Quarter 30.09.2007 RM	Current Year To-date 30.09.2008 RM	Preceding Year To-date 30.09.2007 RM
Earnings before taxation	7,720,661	3,135,558	23,152,350	7,476,815
Taxation at Malaysia				
Statutory tax rate @ 26% (2007-27%)	2,007,372	846,601	6,019,611	2,018,740
Non-deductible expenses	37,160	4,900	110,477	11,424
Effect of tax exempt income	(52,066)	(29,561)	(143,552)	(68,152)
Effect of income distribution exempted from tax	(1,992,466)	(821,940)	(5,986,536)	(1,962,012)
Tax expenses	-	-	-	-

**AMANAHRAYA REAL ESTATE INVESTMENT TRUST
 QUARTERLY UNAUDITED FINANCIAL RESULT FOR THE 3RD QUARTER ENDED
 30 SEPTEMBER 2008**

**B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.22 (APPENDIX 9B, PART A) OF
 BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

B7. CORPORATE PROPOSAL AND DEVELOPMENT

There were no corporate proposals during the current quarter and period-to-date.

B8. BORROWINGS AND DEBT SECURITIES

	Current Financial Period To-date 30.09.2008 RM	Current Year To-date 30.09.2008 RM
Long term borrowings		
- secured	253,000,000	253,000,000

The borrowings are secured by way of legal charge against all properties of the Trust.

B9. 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.

B10. MATERIAL LITIGATION

There was no material litigation as at the date of issuance of this report.

B11. INCOME DISTRIBUTION

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

<u>Type of unit holder</u>	<u>Rate of tax</u>
Resident unitholders;	
- Resident company	Tax flow through, hence no withholding tax
- Unitholders other than a resident company	Withholding tax at 15%

There were no corporate proposals during the current quarter and period-to-date.

Non-resident unitholders;	
- Non-resident company	Withholding tax at 26%
- Non-resident institutional investor	Withholding tax at 20%
- Non-resident other than company and institutional investors	Withholding tax at 15%

AMANAHRAYA REAL ESTATE INVESTMENT TRUST
 QUARTERLY UNAUDITED FINANCIAL RESULT FOR THE 3RD QUARTER ENDED
 30 SEPTEMBER 2008

B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.22 (APPENDIX 9B, PART A) OF
 BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B12. EARNING 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 30.09.2008 RM	Current Year To-date 30.09.2008 RM
Earnings after taxation	7,720,661	23,152,350
Total number of units issued	431,553,191	431,553,191
Earnings per unit (sen)	1.79	5.36

B13. DISTRIBUTION PER UNIT

The distribution per unit of the Trust has been computed by dividing the provision for income distribution for the period by the total number of units issued.

	Current Quarter 30.09.2008 RM	Current Year To-date 30.09.2008 RM
Provision for income distribution	7,720,661	23,152,350
Total number of units issued	431,553,191	431,553,191
Distribution per unit (sen)	1.79	5.36

By Order of the Board
ZAINUL ABIDIN BIN HJ. AHMAD
CHU KUM YOON (f)
SEE SIEW CHENG (f)

Joint Company Secretaries

AmanahRaya-JMF Asset Management Sdn Bhd (Company No. 309646-H)
(As the Manager of AmanahRaya Real Estate Investment Trust)

Kuala Lumpur

Dated: 10 November 2008