

AMANAHRAYA REAL ESTATE INVESTMENT TRUST  
INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 31 MARCH 2018

CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	As At End of Current Quarter (Unaudited) 31.03.2018 RM	As At End of Current Quarter (Audited) 31.12.2017 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	B8	1,451,700,000	928,700,000
Other non-current asset		-	275,000,000
		<b>1,451,700,000</b>	<b>1,203,700,000</b>
<b>Current assets</b>			
Trade and other receivables		5,657,982	2,997,069
Security deposits in Trust accounts and financial institution		21,345,492	21,151,817
Deposits placed with licensed financial institutions		21,299,348	196,513,505
Asset classified as held for sale - investment properties	B8	102,000,000	102,000,000
Cash and cash equivalents		2,342,445	254,490
		152,645,266	322,916,881
<b>TOTAL ASSETS</b>		<b>1,604,345,266</b>	<b>1,526,616,881</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	B9	738,219,794	738,131,687
Trade and other payables	A14	8,994,960	8,994,960
		747,214,754	747,126,647
<b>Current liabilities</b>			
Borrowings	B9	25,000,000	25,000,000
Trade and other payables		28,522,762	18,179,155
Provision for income distributions	A8	7,683,228	8,020,492
		61,205,991	51,199,647
<b>TOTAL LIABILITIES</b>		<b>808,420,745</b>	<b>798,326,294</b>
<b>NET ASSET VALUE ("NAV")</b>		<b>795,924,521</b>	<b>728,290,587</b>
<b>FINANCED BY:</b>			
<b>UNITHOLDERS' FUND</b>			
Unitholders' capital		519,685,915	519,685,915
Distributed income (Note 1)		276,238,606	208,604,672
<b>Total unitholders' fund</b>		<b>795,924,521</b>	<b>728,290,587</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)		<b>1.3885</b>	<b>1.1969</b>
- After income distribution (Note 3)		<b>1.3750</b>	<b>1.1826</b>

**Note 1:**

This includes net appreciation in fair values of investment properties of RM249,061,841, 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 2017 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST  
INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 31 MARCH 2018

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 31.03.2018 RM	Restated Preceding Corresponding Quarter 31.03.2017 RM	Current Quarter 31.03.2018 RM	Restated Preceding Corresponding Quarter 31.03.2017 RM
<b>GROSS REVENUE</b>	<b>21,944,570</b>	<b>15,220,403</b>	<b>21,944,570</b>	<b>15,220,403</b>
<b>PROPERTY EXPENSES</b>				
Assessment	(789,936)	(353,877)	(789,936)	(353,877)
Quit rent	(35,352)	(50,522)	(35,352)	(50,522)
Other property operating expenses	(3,285,631)	(927,974)	(3,285,631)	(927,974)
<b>TOTAL PROPERTY EXPENSES</b>	<b>(4,110,919)</b>	<b>(1,332,373)</b>	<b>(4,110,919)</b>	<b>(1,332,373)</b>
Net rental income	17,833,651	13,888,030	17,833,651	13,888,030
Interest income	380,803	142,895	380,803	142,895
Other income	1,307,717	54,362	1,307,717	54,362
Changes in fair value of investment properties	67,144,539	-	67,144,539	-
<b>TOTAL TRUST INCOME</b>	<b>86,666,710</b>	<b>14,085,287</b>	<b>86,666,710</b>	<b>14,085,287</b>
<b>TRUST EXPENSES</b>				
Manager's fee	(1,454,830)	(1,446,740)	(1,454,830)	(1,446,740)
Trustee's fee	(94,136)	(93,613)	(94,136)	(93,613)
Administrative expenses	(120,751)	(108,013)	(120,751)	(108,013)
Valuation fee	(20,000)	-	(20,000)	-
Borrowing costs	(9,370,218)	(3,630,170)	(9,370,218)	(3,630,170)
Other trust expense	(289,412)	(462,484)	(289,412)	(462,484)
<b>TOTAL TRUST EXPENSES</b>	<b>(11,349,347)</b>	<b>(5,741,020)</b>	<b>(11,349,347)</b>	<b>(5,741,020)</b>
<b>INCOME FOR THE FINANCIAL PERIOD</b>	<b>75,317,363</b>	<b>8,344,267</b>	<b>75,317,363</b>	<b>8,344,267</b>
Taxation	-	-	-	-
<b>INCOME AFTER TAXATION</b>	<b>75,317,363</b>	<b>8,344,267</b>	<b>75,317,363</b>	<b>8,344,267</b>
Unrealised gain from revaluation of properties	(67,144,539)	-	(67,144,539)	-
<b>REALISED INCOME AFTER TAX</b>	<b>8,172,824</b>	<b>8,344,267</b>	<b>8,172,824</b>	<b>8,344,267</b>
<b>DISTRIBUTION TO UNITHOLDERS</b> <sup>(Note 1)</sup>				
- from current period realised net income	(7,764,183)	(8,177,381)	(7,764,183)	(8,177,381)
- from previous period realised net income	-	-	-	-
	<b>(7,764,183)</b>	<b>(8,177,381)</b>	<b>(7,764,183)</b>	<b>(8,177,381)</b>
<b>REALISED INCOME RETAINED</b>	<b>408,641</b>	<b>166,885</b>	<b>408,641</b>	<b>166,885</b>
<b>UNREALISED INCOME RETAINED / (UTILISED)</b>	<b>67,144,539</b>	<b>-</b>	<b>67,144,539</b>	<b>-</b>

**Note 1:**

For the financial quarter ended 31 March 2018 the Manager proposes to distribute RM7,764,183 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 2017 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST  
 INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 31 MARCH 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 31.03.2018 RM	Preceding Corresponding Quarter 31.03.2017 RM	Current Year To-date 31.03.2018 RM	Preceding Corresponding Quarter 31.03.2017 RM
<b>Net income for the financial period is made up as follows:</b>				
- realised	8,172,824	8,344,267	8,172,824	8,344,267
- unrealised				
Changes in fair value of investment properties	67,144,539	-	67,144,539	-
	<b>75,317,363</b>	<b>8,344,267</b>	<b>75,317,363</b>	<b>8,344,267</b>
<b>EARNINGS PER UNIT (SEN) B16</b>				
- after manager fees (sen)	13.1393	1.4557	13.1393	1.4557
- before manager fees (sen)	13.3931	1.7081	13.3931	1.7081
<b>DISTRIBUTION PER UNIT (SEN) (Note 1) B17</b>				
- realised from current period	1.3545	1.4266	1.3545	1.4266
- realised from previous period	-	-	-	-
	<b>1.3545</b>	<b>1.4266</b>	<b>1.3545</b>	<b>1.4266</b>
<b>DISTRIBUTION PER UNIT (%) (Note 1)</b>				
- realised from current period B17	95%	98%	95%	98%
- realised from previous period	0%	0%	0%	0%
	<b>95%</b>	<b>98%</b>	<b>95%</b>	<b>98%</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 31 March 2018, 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 31 March 2018 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 Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST  
 INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 31 MARCH 2018

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE  
 FROM 1 JANUARY 2017 TO 31 MARCH 2018 (UNAUDITED)

	Unitholder's Capital RM	---- Distributable Income ----		Total RM
		Realised RM	Unrealised RM	
<b>At 1 January 2018</b>	519,685,915	27,059,384	181,545,288	728,290,587
<b>Operation for the financial period ended 31 March 2018</b>				
Total comprehensive income for the financial period	-	8,172,824	67,144,539	75,317,363
Realisation of distributable income from disposal of properties	-	-	-	-
<i>Increase in net assets resulting from operations</i>	-	8,172,824	67,144,539	75,317,363
<b>Unitholders' transactions</b>				
Distribution to unitholders - 2017 final	-	(7,683,429)	-	(7,683,429)
<i>Increase in net assets resulting from unitholders' transactions</i>	-	(7,683,429)	-	(7,683,429)
<b>At 31 March 2018</b>	<b>519,685,915</b>	<b>27,548,779</b>	<b>248,689,827</b>	<b>795,924,521</b>

(The Condensed Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST  
 INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 31 MARCH 2018

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE  
 FROM 1 JANUARY 2017 TO 31 DECEMBER 2017 (AUDITED)

	Unitholder's Capital RM	---- Distributable Income ----		Total RM
		Realised RM	Unrealised RM	
<b>At 1 January 2017</b>	519,685,915	27,434,146	138,941,667	686,061,728
<b>Operation for the financial period ended 31 December 2017</b>				
Total comprehensive income for the financial period	-	31,650,305	42,603,621	74,253,926
Realisation of unrealised income upon disposal of investment property	-	-	-	-
<i>Increase in net assets resulting from operations</i>	-	<i>31,650,305</i>	<i>42,603,621</i>	<i>74,253,926</i>
<b>Unitholders' transactions</b>				
Distribution to unitholders - 2016 final	-	(8,164,441)	-	(8,164,441)
Distribution to unitholders - Q1, 2017	-	(8,178,311)	-	(8,178,311)
Distribution to unitholders - Q2, 2017	-	(7,661,823)	-	(7,661,823)
Distribution to unitholders - Q3, 2017	-	(8,020,492)	-	(8,020,492)
<i>Increase in net assets resulting from unitholders' transactions</i>	-	<i>(32,025,067)</i>	-	<i>(32,025,067)</i>
<b>At 31 December 2017</b>	<b>519,685,915</b>	<b>27,059,384</b>	<b>181,545,288</b>	<b>728,290,587</b>

(The Condensed Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST  
INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 31 MARCH 2018

CONDENSED STATEMENT OF CASH FLOW

	Current Year To-date 31.03.2018 RM	Preceding Year To-date 31.12.2017 RM
<b>Cash Flows From Operating Activities</b>		
Income before taxation	75,317,363	74,253,926
<i>Adjustment for:-</i>		
Borrowing costs	9,370,218	15,327,652
Interest income	(380,803)	(791,896)
Change in the fair value of properties	(67,144,539)	(42,603,621)
Operating income before changes in working capital	17,162,240	46,186,061
<b>Changes in working capital:-</b>		
Trade and other receivables	(2,672,748)	9,026,121
Trade and other payables	9,831,191	(12,007,645)
<b>Net cash from operating activities</b>	<b>24,320,682</b>	<b>43,204,537</b>
<b>Cash Flows From Investing Activities</b>		
Interest received	347,546	767,432
Acquisition of investment property	(180,000,000)	-
Deposit for acquisition of investment property	-	(275,000,000)
Improvement of properties	(855,461)	(1,696,379)
<b>Net cash from investing activities</b>	<b>(180,507,916)</b>	<b>(275,928,947)</b>
<b>Cash Flows From Financing Activities</b>		
Distribution paid to unitholders		
- in respect of current financial year	-	(8,164,441)
- in respect of previous financial year	(7,683,429)	(15,840,134)
Repayment of term loan	-	450,000,000
Payment of financing expenses	(60,475)	(1,567,035)
Interest paid	(9,195,065)	(15,227,460)
<b>Net cash (used in) financing activities</b>	<b>(16,938,969)</b>	<b>409,200,930</b>
<b>Net increase in cash and cash equivalents</b>	<b>(173,126,203)</b>	<b>176,476,520</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>196,767,995</b>	<b>20,291,475</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>23,641,792</b>	<b>196,767,995</b>
<b>Cash and cash equivalents comprise:-</b>		
Cash and bank balances	2,342,445	254,490
Deposits placed with licensed financial institutions	21,299,348	196,513,505
	<b>23,641,792</b>	<b>196,767,995</b>

(The Condensed Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the financial statements).

**AMANAHRAYA REAL ESTATE INVESTMENT TRUST  
QUARTERLY UNAUDITED FINANCIAL RESULT FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

**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. This financial report comprise AmanahRaya Real Estate Investment Trust (ARREIT or "Trust" ) and its wholly-owned special purpose company, ARREIT MTN 1 Sdn Bhd, company incorporated in Malaysia, of which the principal activity is to raise financing and on behalf

**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 ARREIT for the financial year ended 31 December 2017. The impact is not expected to be material upon the adoption of MFRSs on the financial reports.

**A3. AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2017**

The audit report of the Trust's financial statements for the financial year ended 31 December 2017 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 made a provision for first interim income distribution for 2018 amounting to RM7,764,183 payable on 13 July 2018.

**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 increase of RM67,144,539 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 RM25,857,562 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

For the period ended 31 March 2018, the Trust recorded a cumulative rental income of RM21,944,570 as against preceding corresponding period of RM15,220,403. The increase in rental income of 44% was contributed by the acquisition of Vista Tower on 16 January 2018. Interest income and other income were recorded higher at RM1,688,520 in comparison to the cumulative preceding quarter of RM197,257 due to higher fixed deposit placement and late interest charge incurred in 2018. The other income mainly consists of reimbursement for utilities usage and other charges at Contraves Building and Vista Tower.

Total cumulative property expenses for the period under review increased to RM4,110,919 from RM1,332,373 in the preceding corresponding period. The increase was mainly due to higher major repair and refurbishment cost incurred mainly for HELP University, Selayang Mall and Holiday Villa Langkawi. Higher maintenance costs are also being incurred which is in line with the increase in number of assets especially for Vista Tower including assessment, insurance and property manager fees as compared to year 2017. However, the net rental income were recorded higher at RM17,833,651 in comparison to the cumulative preceding quarter of RM13,888,030.

On the other hand, total cumulative non-property expenses for the period also has recorded an increase from RM5,741,020 in the corresponding period to RM11,349,347. The increase was mainly contributed by the interest term loan from Public Bank Berhad including coupon rate from Medium term notes of RM950 million which have been disbursed on 22 December 2017. The increase in the Overnight Policy Rate (OPR) in January 2018 by 25 basis points to 3.25 percent has also contributed to the increase in the borrowing cost.

For the quarter under review, the fund had also recorded an increase in fair value of its investment properties (unrealised gain) amounting to RM67.14 million. Net income before tax inclusive of unrealised gain was RM75,317,363 as against RM8,344,267 in the previous corresponding period. Realised income is recorded lower than the preceding corresponding period at RM8,172,824 (preceding corresponding period - RM8,344,267).

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

	<b>Current Quarter 31.03.2018 RM</b>	<b>Preceding Corresponding Quarter 31.03.2017 RM</b>
Revenue		
- Gross revenue (rental income)	21,944,570	15,220,403
- Interest and other income	1,688,520	197,257
- Changes in fair value of investment properties	67,144,539	-
Total	<u>90,777,629</u>	<u>15,417,660</u>
Expenses		
Property expenses	(4,110,919)	(1,332,373)
Non-property expenses	(11,349,347)	(5,741,020)
Total	<u>(15,460,266)</u>	<u>(7,073,393)</u>
Income before taxation	<u>75,317,363</u>	<u>8,344,267</u>

The Trust's rental income for the current quarter ended 31 March 2018 is higher by 44% than the preceding corresponding quarter contributed by the acquisition of Vista Tower on 16 January 2018. Interest income and other income are slightly higher than last corresponding quarter by RM1,491,263.

The Trust's property expenses incurred for the current quarter was significantly higher in comparison to the preceding quarter partly due higher major repair and refurbishment cost incurred. Higher maintenance costs are also being incurred which is in line with the increase in number of assets especially for Vista Tower. However, the net rental income were recorded higher at RM17,833,651 in comparison to the cumulative preceding quarter of RM13,888,030. Non-property expenses is also higher than the previous corresponding quarter due by the interest term loan from Public Bank Berhad including coupon rate from Medium term notes of RM950 million which have been disbursed on 22 December 2017. The increase in the Overnight Policy Rate (OPR) by 25 basis points to 3.25 percent on January 2018 has also contributed to the increase in the borrowing cost.

Net income before tax is recorded at RM8,344,267 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**

On September 2017, ARREIT entered into sale and purchase agreement for the acquisition of an investment property Vista Tower for a total consideration of RM455,000,000. The acquisition have been completed on 16 January 2018.

On December 2017, ARREIT also entered into sale and purchase agreement for the disposal of an investment property Silver Bird Factory for a total consideration of RM105,000,000. The disposal expected to be completed by Quarter 2, 2018.

**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 31.03.2018 RM</b>	<b>Preceding Corresponding Quarter 31.03.2017 RM</b>	<b>Current Year To-date 31.03.2018 RM</b>	<b>Preceding Year To-date 31.03.2017 RM</b>
Earnings before taxation	75,317,363	8,344,267	75,317,363	8,344,267
Taxation at Malaysia Statutory tax rate @ 25%	18,829,340.65	2,359,673	18,829,340.65	2,359,673
Non-deductible expenses	123,888	123,952	123,888	123,952
Effect of interest income and other income not subject to tax	(95,201)	(206,717)	(95,201)	(206,717)
Effect of income not subject to tax	(16,786,135)	-	(16,786,135)	-
Effect of income distribution exempted from tax	(2,071,893)	(2,276,908)	(2,071,893)	(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 31 March 2018 The Trust's composition of investment portfolio are as follows:

	<b>Acquisition cost (Asset &amp; Enhancement) RM</b>	<b>Fair value as at 31.03.2018 RM</b>	<b>Percentage of fair value to Net Asset Value %</b>	<b>Percentage of fair value to Total Asset %</b>
<b>Investment properties</b>				
<i>Hospitality</i>				
	31,000,000	35,900,000	4.51	2.24
* Holiday Villa Alor Setar				
* Holiday Villa Langkawi	57,161,319	81,000,000	10.18	5.05
<i>Education</i>				
	52,500,000	70,000,000	8.79	4.36
* SEGi College				
* SEGi Campus College	145,000,000	179,000,000	22.49	11.16
<i>Commercial</i>				
	18,300,000	16,000,000	2.01	1.00
* Block A & B, South City Plaza				
* Help University	53,946,379	75,000,000	9.42	4.67
* Selayang Mall	130,585,000	165,000,000	20.73	10.28
* Dana 13	99,120,000	118,000,000	14.83	7.36
<i>Industrial</i>				
*++ Silver Bird Factory	92,000,000	102,000,000	12.82	6.36
* AIC Factory	19,200,000	36,000,000	4.52	2.24
Gurun Automotive Warehouse	23,970,000	20,000,000	2.51	1.25
* Wisma Comcorp	30,000,000	35,800,000	4.50	2.23
Toshiba	32,000,000	32,000,000	4.02	1.99
* Deluge Factory	24,000,000	25,000,000	3.14	1.56
* Contraves	40,000,000	40,000,000	5.03	2.49
* Vista Tower	455,855,461	523,000,000	65.71	32.60
	<u>1,304,638,159</u>	<u>1,553,700,000</u>	<u>195.21</u>	<u>96.84</u>
<b>Others</b>				
Deposits placed with licensed financial institutions		21,299,348	2.68	1.33
++	<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**

	<b>Current Year To-date 31.03.2018 RM</b>	<b>Preceding Year To-date 31.12.2017 RM</b>
Long term borrowings		
- Term Loan 1,II,III and IV	290,150,000	290,150,000
- Unrated medium term notes	450,000,000	450,000,000
- Unamortised transaction costs	(1,930,206)	(2,018,313)

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 4.85% (preceding correspondence quarter: 4.65%). The gearing ratio is currently 47.57%.

	<b>Current Year To-date 31.03.2018 RM</b>	<b>Preceding Year To-date 31.12.2017 RM</b>
Short term borrowings		
- revolving credit facility	25,000,000	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 31 March 2018, 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 31 March 2018, 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**

During the financial quarter ended 31 March 2018, there was no material litigation.

**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.

	<b>Current Quarter 31.03.2018 RM</b>	<b>Preceding Corresponding Quarter 31.03.2017 RM</b>
Earnings after taxation	75,317,363	8,344,267
Total number of units issued	573,219,858	573,219,858
Earnings per unit (sen)		
- realised	1.4258	1.4557
- unrealised	11.7136	-
	13.1393	1.4557

## 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.

	<b>Current Quarter 31.03.2018 RM</b>	<b>Preceding Corresponding Quarter 31.03.2017 RM</b>
Provision for income distribution	7,764,183	8,177,381
Total number of units issued	573,219,858	573,219,858
Distribution per unit (sen) (realised)	1.3545	1.4266

## 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 31 March 2018 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 30 May 2018.

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: 30 May 2018