

AMANAHRAYA REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 30 JUNE 2018

CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	As At End of Current Quarter (Unaudited) 30.06.2018 RM	As At End of Current Quarter (Audited) 31.12.2017 RM
ASSETS			
Non-current assets			
Investment properties	B8	1,451,700,000	928,700,000
Other non-current asset		-	275,000,000
		1,451,700,000	1,203,700,000
Current assets			
Trade and other receivables	A15	10,167,363	2,997,069
Security deposits in Trust accounts and financial institution		21,545,312	21,151,817
Deposits placed with licensed financial institutions		39,921,638	196,513,505
Asset classified as held for sale - investment properties	B8	-	102,000,000
Cash and cash equivalents		2,505,740	254,490
		74,140,052	322,916,881
TOTAL ASSETS		1,525,840,052	1,526,616,881
LIABILITIES			
Non-current liabilities			
Borrowings	B9	678,307,901	738,131,687
Trade and other payables	A14	8,994,960	8,994,960
		687,302,861	747,126,647
Current liabilities			
Borrowings	B9	-	25,000,000
Trade and other payables	A14	30,260,739	18,179,155
Provision for income distributions	A8	7,764,183	8,020,492
		38,024,922	51,199,647
TOTAL LIABILITIES		725,327,783	798,326,294
NET ASSET VALUE ("NAV")		800,512,270	728,290,587
FINANCED BY:			
UNITHOLDERS' FUND			
Unitholders' capital		519,685,915	519,685,915
Undistributed income (Note 1)		280,826,355	208,604,672
Total unitholders' fund		800,512,270	728,290,587
NUMBER OF UNITS IN CIRCULATIONS		573,219,858	573,219,858
NET ASSET VALUE ("NAV") PER UNIT (RM):			
- Before income distribution (Note 2)		1.3965	1.2705
- After income distribution (Note 3)		1.3771	1.2571

Note 1:

This includes net appreciation in fair values of investment properties of RM239,061,841, 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 30 JUNE 2018

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.06.2018 RM	Restated Preceding Corresponding Quarter 30.06.2017 RM	Current Quarter 30.06.2018 RM	Restated Preceding Corresponding Quarter 30.06.2017 RM
GROSS REVENUE	23,534,949	15,129,417	45,479,518	30,349,820
PROPERTY EXPENSES				
Assessment	(778,253)	(345,440)	(1,568,189)	(699,318)
Quit rent	(42,821)	(50,600)	(78,173)	(101,122)
Other property operating expenses	(4,133,182)	(1,518,633)	(7,418,813)	(2,446,606)
TOTAL PROPERTY EXPENSES	(4,954,257)	(1,914,673)	(9,065,175)	(3,247,046)
Net rental income	18,580,692	13,214,744	36,414,343	27,102,774
Interest income	255,256	174,945	636,059	317,841
Other income	5,115,428	168,070	6,423,145	222,432
Changes in fair value of investment properties	67,144,539	-	67,144,539	-
TOTAL TRUST INCOME	91,095,914	13,557,759	110,618,086	27,643,046
TRUST EXPENSES				
Manager's fee	(1,898,373)	(1,462,823)	(3,353,203)	(2,909,563)
Trustee's fee	(122,836)	(94,653)	(216,972)	(188,266)
Administrative expenses	(120,479)	(107,893)	(241,230)	(215,906)
Valuation fee	-	-	(20,000)	-
Borrowing costs	(9,239,431)	(3,802,518)	(18,609,649)	(7,432,688)
Other trust expense	(217,899)	(25,550)	(507,311)	(488,034)
TOTAL TRUST EXPENSES	(11,599,018)	(5,493,437)	(22,948,366)	(11,234,458)
INCOME FOR THE FINANCIAL PERIOD	79,496,896	8,064,322	87,669,720	16,408,589
Taxation	-	-	-	-
INCOME AFTER TAXATION	79,496,896	8,064,322	87,669,720	16,408,589
Unrealised gain from revaluation of properties	(67,144,539)	-	(67,144,539)	-
REALISED INCOME AFTER TAX	12,352,357	8,064,322	20,525,182	16,408,589
DISTRIBUTION TO UNITHOLDERS ^(Note 1)				
- from current period realised net income	(11,117,122)	(7,661,106)	(18,881,305)	(15,838,487)
- from previous period realised net income	-	-	-	-
	(11,117,122)	(7,661,106)	(18,881,305)	(15,838,487)
REALISED INCOME RETAINED	1,235,236	403,216	1,643,877	570,101
UNREALISED INCOME RETAINED / (UTILISED)	67,144,539	-	67,144,539	-

Note 1:

For the financial quarter ended 30 June 2018 the Manager proposes to distribute RM11,117,122 i.e. 90% 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 30 JUNE 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.06.2018 RM	Preceding Corresponding Quarter 30.06.2017 RM	Current Year To-date 30.06.2018 RM	Preceding Corresponding Quarter 30.06.2017 RM
Net income for the financial period is made up as follows:				
- realised	12,352,357	8,064,322	20,525,182	16,408,589
- unrealised				
Changes in fair value of investment properties	67,144,539	-	67,144,539	-
	79,496,896	8,064,322	87,669,720	16,408,589
EARNINGS PER UNIT (SEN) B16				
- after manager fees (sen)	13.8685	1.4068	15.2943	2.8625
- before manager fees (sen)	14.1997	1.6620	15.8792	3.3701
DISTRIBUTION PER UNIT (SEN) (Note 1) B17				
- realised from current period	1.9394	1.3365	3.2939	2.7631
- realised from previous period	-	-	-	-
	1.9394	1.3365	3.2939	2.7631
DISTRIBUTION PER UNIT (%) (Note 1)				
- realised from current period B17	90%	95%	92%	97%
- realised from previous period	0%	0%	0%	0%
	90%	95%	92%	97%

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 June 2018, the Manager proposed to distribute 90% 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 June 2018 is 92%. 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 30 JUNE 2018

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
 FROM 1 JANUARY 2017 TO 30 JUNE 2018 (UNAUDITED)

	Unitholder's Capital RM	---- Distributable Income ----		Total RM
		Realised RM	Unrealised RM	
At 1 January 2018	519,685,915	27,059,384	181,545,288	728,290,587
Operation for the financial period ended 30 June 2018				
Total comprehensive income for the financial period	-	20,525,182	67,144,539	87,669,720
Realisation of distributable income from disposal of properties	-	-	-	-
<i>Increase in net assets resulting from operations</i>	-	20,525,182	67,144,539	87,669,720
Unitholders' transactions				
Distribution to unitholders - 2017 final	-	(7,683,429)	-	(7,683,429)
Distribution to unitholders - Q1, 2018	-	(7,764,609)	-	(7,764,609)
<i>Increase in net assets resulting from unitholders' transactions</i>	-	(15,448,038)	-	(15,448,038)
At 30 June 2018	519,685,915	32,136,528	248,689,827	800,512,270

(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 30 JUNE 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	
At 1 January 2017	519,685,915	27,434,146	138,941,667	686,061,728
Operation for the financial period ended 31 December 2017				
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>
Unitholders' transactions				
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>
At 31 December 2017	519,685,915	27,059,384	181,545,288	728,290,587

(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 30 JUNE 2018

CONDENSED STATEMENT OF CASH FLOW

	Current Year To-date 30.06.2018 RM	Preceding Year To-date 31.12.2017 RM
Cash Flows From Operating Activities		
Income before taxation	87,669,720	74,253,926
<i>Adjustment for:-</i>		
Borrowing costs	18,609,649	15,327,652
Interest income	(636,059)	(791,896)
Change in the fair value of properties	(67,144,539)	(42,603,621)
Operating income before changes in working capital	<u>38,498,772</u>	<u>46,186,061</u>
Changes in working capital:-		
Trade and other receivables	(7,271,239)	9,026,121
Trade and other payables	12,063,644	(12,007,645)
Net cash from operating activities	<u>43,291,178</u>	<u>43,204,537</u>
Cash Flows From Investing Activities		
Interest received	580,198	767,432
Proceeds from disposal of investment properties	102,000,000	-
Acquisition of investment property	(180,000,000)	-
Deposit for acquisition of investment property	-	(275,000,000)
Improvement of properties	(855,461)	(1,696,379)
Net cash from investing activities	<u>(78,275,263)</u>	<u>(275,928,947)</u>
Cash Flows From Financing Activities		
Distribution paid to unitholders		
- in respect of current financial year	(7,764,609)	(8,164,441)
- in respect of previous financial year	(7,683,429)	(15,840,134)
Drawdown of term loan	-	450,000,000
Repayment of term loan	(85,000,000)	-
Payment of financing expenses	(60,475)	(1,567,035)
Interest paid	(18,848,019)	(15,227,460)
Net cash (used in) financing activities	<u>(119,356,532)</u>	<u>409,200,930</u>
Net increase in cash and cash equivalents	(154,340,617)	176,476,520
Cash and cash equivalents at beginning of financial period	196,767,995	20,291,475
Cash and cash equivalents at end of financial period	<u>42,427,378</u>	<u>196,767,995</u>
Cash and cash equivalents comprise:-		
Cash and bank balances	2,505,740	254,490
Deposits placed with licensed financial institutions	39,921,638	196,513,505
	<u>42,427,378</u>	<u>196,767,995</u>
	0.00	-

(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 30 JUNE 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 of ARREIT.

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 paid its first interim income distribution on 13 July 2018 amounting to RM7,764,183. For the second quarter, the management has proposed and provided RM11,117,122 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 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 RM27,332,893 received from lessees for tenancy contracts with tenure of one to twenty five years.

A14. TRADE AND OTHER RECEIVABLES

Included in the Current Assets - Trade and Other Receivables are RPGT refund from LHDN of RM4,033,014 and outstanding balance from Silverbird Factory disposal amounting to RM2.5 million..

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 30 June 2018, the Trust recorded a cumulative rental income of RM45,479,518 as against preceding corresponding period of RM30,349,820. The increase in rental income of 49.85% was contributed by the acquisition of Vista Tower on 16 January 2018. Interest income and other income were recorded higher at RM7,059,204 in comparison to the cumulative preceding quarter of RM540,272 due to higher fixed deposit placement and reimbursement for expenses include utilities usage at Contraves Building and Vista Tower. The other income also consists RM3,000,000 fair value gain from Silverbird disposal which completed on 25 May 2018.

Total cumulative property expenses for the period under review increased to RM9,065,175 from RM3,247,046 in the preceding corresponding period. The increase was mainly due to higher major repair and refurbishment cost incurred mainly for Selayang Mall and Holiday Villa Langkawi. Higher maintenance costs were also being incurred which is in line with the increase in number of assets especially for Vista Tower including statutory payment and property manager fees as compared to year 2017. However, the net rental income were recorded higher at RM36,414,343 in comparison to the cumulative preceding quarter of RM27,102,774.

On the other hand, total cumulative non-property expenses for the period also has recorded an increase from RM11,234,456 in the corresponding period to RM22,948,366. The increase was mainly contributed by Public Bank Berhad coupon rate from Medium term notes of RM450 million which have been disbursed on 22 December 2017. The increase in Net Asset Value (NAV) which exactly will increase the Manager and Trustee Fee has also contributed to the increase in the expenses.

For the cumulative 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 RM87,669,720 as against RM16,408,589 in the previous corresponding period. Realised income is recorded higher than the preceding corresponding period at RM20,525,182 (preceding corresponding period - RM16,408,589).

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

	Current Quarter 30.06.2018 RM	Preceding Corresponding Quarter 30.06.2017 RM
Revenue		
- Gross revenue (rental income)	23,534,949	15,129,417
- Interest and other income	5,370,684	343,015
- Changes in fair value of investment properties	67,144,539	-
Total	<u>96,050,171</u>	<u>15,472,432</u>
Expenses		
Property expenses	(4,954,257)	(1,914,673)
Non-property expenses	(11,599,018)	(5,493,437)
Total	<u>(16,553,275)</u>	<u>(7,408,110)</u>
Realised Income before taxation	<u>12,352,357</u>	<u>8,064,322</u>

The Trust's rental income for the current quarter ended 30 June 2018 is higher by 56% 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 RM5,027,669.

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 in 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. However, the net rental income were recorded higher at RM18,580,692 in comparison to the cumulative preceding quarter of RM13,214,744. Non-property expenses is also higher than the previous corresponding quarter due by Public Bank Berhad coupon rate from Medium term notes of RM450 million which have been disbursed on 22 December 2017. The increase in Net Asset Value (NAV) which exactly will increase the Manager and Trustee Fee has also contributed to the increase in the expenses.

Net income before tax is recorded at RM12,352,357 which is increased by 53% 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 have been completed on 25 May 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:

	Current Quarter 30.06.2018 RM	Preceding Corresponding Quarter 30.06.2017 RM	Current Year To-date 30.06.2018 RM	Preceding Year To-date 30.06.2017 RM
Earnings before taxation	79,496,896	8,064,322	87,669,720	16,408,589
Taxation at Malaysia Statutory tax rate @ 25%	19,874,224.65	2,359,673	21,917,429.65	2,359,673
Non-deductible expenses	108,116	123,952	232,004	123,952
Effect of interest income and other income not subject to tax	(63,814)	(206,717)	(159,015)	(206,717)
Effect of income not subject to tax	(16,786,135)	-	(16,786,135)	-
Effect of income distribution exempted from tax	(3,132,392)	(2,276,908)	(5,204,284)	(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 June 2018 The Trust's composition of investment portfolio are as follows:

	Acquisition cost (Asset & Enhancement) RM	Fair value as at 30.06.2018 RM	Percentage of fair value to Net Asset Value %	Percentage of fair value to Total Asset %
Investment properties				
<i>Office</i>				
* Vista Tower	455,855,461	523,000,000	65.33	34.28
* Dana 13	99,120,000	118,000,000	14.74	7.73
* Contraves	40,000,000	40,000,000	5.00	2.62
* Wisma Comcorp	30,000,000	35,800,000	4.47	2.35
Toshiba	32,000,000	32,000,000	4.00	2.10
Block A & B, South City Plaza	18,300,000	16,000,000	2.00	1.05
<i>Education</i>				
* SEGi Campus College	145,000,000	179,000,000	22.36	11.73
* Help University	53,946,379	75,000,000	9.37	4.92
SEGi College	52,500,000	70,000,000	8.74	4.59
<i>Industrial</i>				
* AIC Factory	19,200,000	36,000,000	4.50	2.36
* Deluge Factory	24,000,000	25,000,000	3.12	1.64
Gurun Automotive Warehouse	23,970,000	20,000,000	2.50	1.31
<i>Hospitality</i>				
* Holiday Villa Langkawi	57,161,319	81,000,000	10.12	5.31
Holiday Villa Alor Setar	31,000,000	35,900,000	4.48	2.35
<i>Retail</i>				
* Selayang Mall	130,585,000	165,000,000	20.61	10.81
	<u>1,212,638,159</u>	<u>1,451,700,000</u>	<u>181.35</u>	<u>95.14</u>
Others				
Deposits placed with licensed financial institutions		39,921,638	4.99	2.62
++ <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 30.06.2018 RM	Preceding Year To-date 31.12.2017 RM
Long term borrowings		
- Term Loan 1,II,III and IV	230,150,000	290,150,000
- Unrated medium term notes	450,000,000	450,000,000
- Unamortised transaction costs	(1,842,099)	(2,018,313)

The borrowings are secured by way of legal charge on certain properties of the Trust. The weighted average effective interest rate (annualised) for these borrowings is 5.05% (preceding correspondence quarter: 4.65%). The gearing ratio is currently 44.45%.

	Current Year To-date 30.06.2018 RM	Preceding Year To-date 31.12.2017 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 + 1.0% (floating rate) and base on the tenure of 1, 3 and 6 months. The borrowing have been fully paid from using proceeds from Silverbird disposal on May 2018.

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 June 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 30 June 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 30 June 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>
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 2019
Non-resident unitholders;	
- 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 30.06.2018 RM	Preceding Corresponding Quarter 30.06.2017 RM
Earnings after taxation	79,496,896	8,064,322
Total number of units issued	573,219,858	573,219,858
Earnings per unit (sen)		
- realised	2.1549	1.4068
- unrealised	11.7136	-
	13.8685	1.4068

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 30.06.2018 RM	Preceding Corresponding Quarter 30.06.2017 RM
Provision for income distribution	11,117,122	7,661,106
Total number of units issued	573,219,858	573,219,858
Distribution per unit (sen) (realised)	1.9394	1.3365

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 June 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 August 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 August 2018