

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	As At 30.09.2021 RM (Unaudited)	As At 31.12.2020 RM (Audited)
ASSETS		
Non-current assets		
Investment properties	1,363,000,000	1,363,000,000
Trade and other receivables	-	52,500
	1,363,000,000	1,363,052,500
Current assets		
Trade and other receivables	21,870,038	11,503,348
Security deposits in trust accounts	12,256,913	14,195,719
Cash and cash equivalents	38,780,873	37,574,803
Asset classified as held for sale	8,500,000	8,500,000
	81,407,824	71,773,870
TOTAL ASSETS	1,444,407,824	1,434,826,370
LIABILITIES		
Non-current liabilities		
Borrowings	609,906,911	609,698,080
Trade and other payables	18,380,329	18,155,210
	628,287,241	627,853,290
Current liabilities		
Borrowings	33,906,379	33,865,514
Trade and other payables	14,402,595	15,633,061
Deferred tax liabilities	10,623,000	10,623,000
	58,931,973	60,121,575
TOTAL LIABILITIES	687,219,214	687,974,865
NET ASSET VALUE ("NAV")	757,188,610	746,851,505
FINANCED BY:		
UNITHOLDERS' FUND		
Unitholders' capital	519,685,915	519,685,915
Distributed income - realised	54,845,468	44,508,363
Undistributed income - unrealised	182,657,227	182,657,227
TOTAL UNITHOLDERS' FUND	757,188,610	746,851,505
NUMBER OF UNITS IN CIRCULATIONS	573,219,858	573,219,858
NET ASSET VALUE ("NAV") PER UNIT (RM):		
- Before income distribution	1.3209	1.3029

The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached.

CONDENSED STATEMENT OF PROFIT OF LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED)

	CURRENT		CUMULATIVE	
	Current Year Quarter 30.09.2021 RM	Preceding Year Corresponding Quarter 30.09.2020 RM	Current Year To-date 30.09.2021 RM	Preceding Corresponding Year To-date 30.09.2020 RM
Revenue	22,313,754	22,547,101	64,993,303	63,386,626
Properties expenses				
Property operating expenses	(4,713,285)	(5,412,871)	(14,161,685)	(14,674,728)
Net property income	17,600,469	17,134,230	50,831,618	48,711,898
Unbilled lease income receivable	-	-	-	-
Interest income	137,425	159,244	249,290	531,108
Other income	119,110	38,588	491,977	55,387
Gains from investment properties disposal	-	-	-	-
TOTAL TRUST INCOME	17,857,004	17,332,062	51,572,886	49,298,393
Trust expenses	(2,008,586)	(2,149,423)	(6,684,065)	(6,785,842)
Borrowing costs	(6,049,030)	(6,158,492)	(18,004,141)	(20,230,758)
TRUST EXPENSES	(8,057,616)	(8,307,915)	(24,688,206)	(27,016,599)
Realised income before taxation	9,799,388	9,024,147	26,884,679	22,281,794
Changes in fair value of investment properties	-	-	-	-
Income before taxation	9,799,388	9,024,147	26,884,679	22,281,794
Taxation	-	-	-	-
Total Income	9,799,388	9,024,147	26,884,679	22,281,794
Distribution to unitholders				
- from current period realised net income	-	-	-	-
- from previous period realised net income	-	-	-	-
	-	-	-	-
Realised income retained	9,799,388	9,024,147	26,884,680	22,281,794
Unrealised income retained / (utilised)	-	-	-	-
Net income for the financial period is made up as follows:				
- realised	9,799,388	9,024,147	26,884,679	22,281,794
- unrealised				
Changes in fair value of investment properties	-	-	-	-
Taxation	-	-	-	-
	9,799,388	9,024,147	26,884,679	22,281,794
EARNINGS PER UNIT (SEN)				
- after manager fees (sen)	1.7095	1.5743	4.6901	3.8871
- before manager fees (sen)	1.9908	1.8668	5.5314	4.7556
EARNINGS PER UNIT (SEN)				
- realised	1.7095	1.5743	4.6901	3.8871
- unrealised	-	-	-	-
DISTRIBUTION PER UNIT (SEN)				
- realised from current period	-	-	2.8868	2.1972
- realised from previous period	-	-	-	-
	-	-	2.8868	2.1972

The Condensed Statement of Profit or Loss and Other Comprehensive Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached.

**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE CUMULATIVE QUARTER ENDED 30 SEPTEMBER 2021**

	Unitholder's Capital RM	---- Undistributed Income -----		Total RM
		Realised RM	Unrealised RM	
At 1 January 2021	519,685,915	44,508,363	182,657,227	746,851,505
Operation for the financial period ended 30 September 2021				
Total comprehensive income for the financial period	-	26,884,679	-	26,884,679
Realisation of income from disposal of property	-	-	-	-
		-	-	-
<i>Increase in net assets resulting from operations</i>	-	26,884,679	-	26,884,679
Unitholders' transactions				
Distribution to unitholders - 2020 Second Half	-	(16,547,574)	-	(16,547,574)
Distribution to unitholders - 1st Half 2021	-	-	-	-
Distribution to unitholders - 2nd Half 2021	-	-	-	-
<i>Increase in net assets resulting from unitholders' transactions</i>	-	(16,547,574)	-	(16,547,574)
At 30 September 2021	519,685,915	54,845,468	182,657,227	757,188,610

	Unitholder's Capital RM	---- Undistributed Income -----		Total RM
		Realised RM	Unrealised RM	
At 1 January 2020	519,685,915	36,140,692	220,764,585	776,591,192
Operation for the financial period ended 31 December 2020				
Total comprehensive income for the financial period	-	30,707,491	(38,107,358)	(7,399,867)
Realisation of income from disposal of property	-	-	-	-
		-	-	-
<i>Increase in net assets resulting from operations</i>	-	30,707,491	(38,107,358)	(7,399,867)
Unitholders' transactions				
Distribution to unitholders - 2019 final	-	(9,744,594)	-	(9,744,594)
Distribution to unitholders - Interim 2020	-	(12,595,226)	-	(12,595,226)
<i>Increase in net assets resulting from unitholders' transactions</i>	-	(22,339,820)	-	(22,339,820)
At 31 December 2020	519,685,915	44,508,363	182,657,227	746,851,505

The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached.

**CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE CUMULATIVE QUARTER ENDED 30 SEPTEMBER 2021**

	Current Year To-date 30.09.2021 RM	Preceding Year To-date 31.12.2020 RM
Cash Flows From Operating Activities		
Net income before taxation	26,884,679	(7,399,867)
<i>Adjustments for:-</i>		
Finance costs	18,004,141	26,276,369
Finance income	(249,290)	(605,912)
Net impairment loss on financial instruments	-	6,586,579
Change in the fair value of properties	-	38,107,358
Operating income before changes in working capital	44,639,530	62,964,527
Changes in working capital:-		
Trade and other receivables	(8,375,384)	(12,464,791)
Trade and other payables	(1,005,347)	3,365,404
Net cash generated from operating activities	35,258,799	53,865,140
Cash Flows From Investing Activities		
Interest received	249,290	605,806
Proceeds from disposal of investment properties	-	-
Improvement of properties	-	(2,107,358)
Net cash used in investing activities	249,290	(1,501,552)
Cash Flows From Financing Activities		
Distribution paid to unitholders		
- in respect of current financial year	-	-
- in respect of previous financial year	(16,547,575)	(30,938,192)
Drawdown of term loan	-	161,000,000
Repayment of term loan	-	(162,234,000)
Interest paid	(17,754,445)	(27,098,461)
Net cash (used in)/ generated from financing activities	(34,302,020)	(59,270,653)
Net (decrease)/ increase in cash and cash equivalents	1,206,070	(6,907,065)
Cash and cash equivalents at beginning of financial period	37,574,803	44,481,868
Cash and cash equivalents at end of financial period	38,780,873	37,574,803

The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached.

A. EXPLANATORY NOTES FOR THE QUARTER ENDED 30 SEPTEMBER 2021 PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD ("MFRS")

A1. BASIS OF PREPARATION

This quarterly financial report is unaudited and has been prepared in accordance with Malaysian Financial reporting Standards (MFRSs) where applicable to AmanahRaya Real Estate Investment Trust ("ARREIT" or "Trust") that are effective for annual periods beginning on or after 1 January 2021. 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 ARREIT 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 2020.

A3. AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2020

The audit report of the Trust's financial statements for the financial year ended 31 December 2020 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

There were no changes in estimates that have had material effect in the current quarter.

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 management has proposed and approved to provide a first interim of 2021 dividend amounting to RM16,123,823 to be distributed to the unitholders. The Trust has paid its on 2 October 2021.

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

The fair value of the investment properties as at 31 December 2020 were derived by the Directors of the Manager's assessment based on values obtained from latest valuations conducted by independent firms of professional valuers. The properties were valued by the appointed valuers adopting suitable valuation approaches depending on the type of properties.

A11. RENTAL INCOME FROM TENANCIES (MFRS 117)

Rental income receivable under tenancy agreement is recognised as straight-line basis over the term of the lease.

A12. MATERIAL AND SIGNIFICANT EVENT

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

A13. 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.

A14. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

A. EXPLANATORY NOTES FOR THE QUARTER ENDED 30 SEPTEMBER 2021 PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD ("MFRS") - Cont'd

A15. TRADE AND OTHER PAYABLES

Included in the Current and Non-Current Liabilities - Trade and Other Payables are tenant deposits of RM23.6 million received from lessees for tenancy contracts with tenure of one to twenty five years (Current; RM5.2 million and Non Current: RM18.4 million).

A16. TRADE AND OTHER RECEIVABLES

Included in the Current Assets - Trade and Other Receivables include outstanding rental of RM12.9 million and properties utilities deposit amounting to RM2.3 million.

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

B1. REVIEW OF PERFORMANCE

For the period ended 30 September 2021, the Trust recorded a cumulative rental income of RM65.0 million as against preceding corresponding period of RM63.4 million. The increase was mainly due to the lower rental income recorded on Q2 and Q3 2020. The severe economic impact of the Covid-19 pandemic and resulting Movement Control Order (MCO) imposed by the Government of Malaysia from 18 March 2020 to 9 June 2020 and continued with Recovery Movement Control Order (RMCO) imposed from 10 June 2020 until 31 December 2020 (the entire Q2 and Q3 period) was the factor of the drop in the revenue. In this regard, the Trust has provided a total of RM5.2 million in rental assistance or relief for the affected tenants.

A total of RM14.2 million was incurred for property expenses during cumulative quarter, a decrease from RM14.7 million as compared to the preceding corresponding period equivalent to 3.5% decrease..

On the other hand, the lower non-property expenses were mainly underpinned by lower borrowing cost due to the settlement of Affin Term Loan in March 2020 and lowering of Overnight Policy Rate (OPR) in 2020 to 1.75%. This resulted in 8.6% reduction in September 2021 compared to the same corresponding period in September 2020.

For the cumulative quarter under review, The realised income stood at RM26.9 million for the period under review. This amount is approximately 20.7% higher than the last corresponding period contributed mainly by increase in net property income by 4.4% and reduction in borrowing cost (-11.0%).

Gearing ratio was 44.57%, increased from last quarter of 43.95% and well below the regulatory limit of 50.0%.

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

	Current Quarter 30.09.2021 RM	Preceding Corresponding Quarter 30.09.2020 RM
Revenue		
- Gross revenue (rental income)	22,313,754	22,547,101
- Interest and other income	256,535	197,832
- Gains from investment property disposal	-	-
Total	<u>22,570,289</u>	<u>22,744,933</u>
Expenses		
Property expenses	(4,713,285)	(5,412,871)
Non-property expenses	(8,057,616)	(8,307,915)
Total	<u>(12,770,901)</u>	<u>(13,720,786)</u>
Realised Income before taxation	<u>9,799,388</u>	<u>9,024,147</u>

The Trust's rental income for the current quarter ended 30 September 2021 is lower by 1.0% due to 1 month rebates to Help University and Holiday Villa Langkawi. Apart from that, the new rental for SEGi University has increase from RM1.2 million to RM1.5 million started August

The Trust's property expenses RM4.7 million was incurred during the current quarter ended 30 September 2021, a decrease from RM5.4 million as compared to the last corresponding financial quarter 2020.

Net realised income before tax is recorded at RM9.8 million, an increase of 8.6% compared to the preceding corresponding quarter.

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.

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

B3. PROSPECTS - Cont'd

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. TAXATION

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

Thus, based on the income distribution made for the current quarter, the Trust has not provided any tax expenses for the period. A numerical reconciliation between the applicable income tax expense and effective income tax expense on the Trust is as follows:

	Current Quarter 30.09.2021 RM	Preceding Corresponding Quarter 30.09.2020 RM	Current Year To-date 30.09.2021 RM	Preceding Year To-date 30.09.2020 RM
Earnings before taxation	9,799,388	9,024,147	26,884,679	22,281,794
Taxation at Malaysia				
Statutory tax rate @ 25%	2,449,848	2,359,673	6,721,170	2,359,673
Non-deductible expenses	230,804	123,952	661,177	123,952
Effect of interest income and other income not subject to tax	(72,398)	(206,717)	(274,211)	(206,717)
Effect of income not subject to tax	-	-	-	-
Effect of income distribution exempted from tax	(2,839,634)	(2,276,908)	(9,853,865)	(2,276,908)
Tax expenses	(231,380.042500)	-	(2,745,728.7825)	-

B5. As at 30 September 2021 The Trust's composition of investment portfolio are as follows:

	Acquisition cost (Asset & Enhancement) RM	Fair value as at 30.09.2021 RM	Percentage of fair value to Net Asset Value %	Percentage of fair value to Total Asset %
Investment properties				
<i>Office</i>				
* Vista Tower	456,193,730	520,592,643	68.75	36.04
* Dana 13	99,372,673	121,000,000	15.98	8.38
* Contraves	40,232,532	43,600,000	5.76	3.02
* Wisma Comcorp	30,000,000	37,000,000	4.89	2.56
* Toshiba	32,142,972	32,400,000	4.28	2.24
<i>Education</i>				
* SEGi University	146,062,993	186,407,358	24.62	12.91
* Help University	53,946,379	74,000,000	9.77	5.12
* SEGi College	52,500,000	73,500,000	9.71	5.09
<i>Industrial</i>				
* Deluge Factory	24,216,510	26,000,000	3.43	1.80
<i>Hospitality</i>				
* Holiday Villa Langkawi	59,536,443	85,000,000	11.23	5.88
* Holiday Villa Alor Setar	31,000,000	26,500,000	3.50	1.83
<i>Retail</i>				
* Selayang Mall	132,608,183	137,000,000	18.09	9.48
	1,157,812,415	1,363,000,000	180.01	94.36

++ Asset held for sale

* Charged to financial institution for credit facility

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

B5. As at 30 September 2021 The Trust's composition of investment portfolio are as follows: - Cont'd

Others

Deposits placed with licensed financial institutions	31,500,000	4.16	2.18
--	------------	------	------

B6. VARIANCES OF PROFIT FORECAST OR PROFIT GUARANTEE

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

B7. ACQUISITION OR DISPOSAL OF INVESTMENT PROPERTIES

There were no acquisition and disposal of investment properties announced during the year.

B8. CORPORATE PROPOSAL AND DEVELOPMENT

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

B9. BORROWINGS AND DEBT SECURITIES

	Current Year To-date 30.09.2021 RM	Preceding Year To-date 31.12.2020 RM
Long term borrowings		
- Term Loan 1,II,III and IV	33,920,000	33,920,000
- Unrated medium term notes	611,000,000	611,000,000
- Unamortised transaction costs	(1,106,710)	(1,356,406)

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 3.68% (preceding correspondence quarter: 4.90%). The gearing ratio is currently 44.57%.

B10. 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 30 September 2021
Non-resident unitholders;	
- Non-resident company	Withholding tax at 24%; effective from 1 January 2012 to 30 September 2021
- Non-resident institutional investor	Withholding tax at 10%; effective from 1 January 2012 to 30 September 2021
- Non-resident other than company and institutional investors	Withholding tax at 10%; effective from 1 January 2012 to 30 September 2021

B11. UTILISATION OF PROCEEDS RAISED FROM ISSUANCE OF NEW UNITS

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

B12. SOFT COMMISSION

During the financial quarter ended 30 September 2021, the Manager or its delegates did not receive any soft commission from its broker, by virtue of transactions conducted by the Trust.

B13. PURCHASE OR DISPOSAL OF INVESTMENT IN QUOTED SECURITIES

During the financial quarter ended 30 September 2021, there was no purchase or disposal of investment in quoted securities.

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

B14. 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.

B15. MATERIAL LITIGATION

During the financial quarter ended 30 September 2021, there was no material litigation.

B16. EARNINGS PER UNIT

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

	Current Quarter 30.09.2021 RM	Preceding Corresponding Quarter 30.09.2020 RM
Earnings after taxation	9,799,388	9,024,147
Total number of units issued	573,219,858	573,219,858
Earnings per unit (sen)		
- realised	1.7095	1.5743
- unrealised	-	-
	1.7095	1.5743

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 30.09.2021 RM	Preceding Corresponding Quarter 30.09.2020 RM
Provision for income distribution	-	-
Total number of units issued	573,219,858	573,219,858
Distribution per unit (sen) (realised)	-	-

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 2021 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 29 November 2021.

By Order of the Board
 JERRY JESUDIAN A/L JOSEPH ALEXANDER
 LEONG SHIAK WAN (f)
 RIZANA BINTI AHMAD RITHAUDDEEN
 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: 29 November 2021