

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	As At 30.09.2022 RM (Unaudited)	As At 31.12.2021 RM (Audited)
ASSETS		
Non-current assets		
Investment properties	1,369,500,000	1,369,500,000
Trade and other receivables	-	-
	1,369,500,000	1,369,500,000
Current assets		
Trade and other receivables	9,129,535	7,870,877
Security deposits in trust accounts	-	11,205,770
Cash and cash equivalents	45,312,837	33,767,740
Asset classified as held for sale	8,500,000	8,500,000
	62,942,372	61,344,387
TOTAL ASSETS	1,432,442,372	1,430,844,387
LIABILITIES		
Non-current liabilities		
Borrowings	644,064,013	643,845,642
Trade and other payables	18,085,290	14,644,410
	662,149,303	658,490,052
Current liabilities		
Borrowings	-	-
Trade and other payables	11,051,203	15,965,910
Deferred tax liabilities	10,783,000	10,783,000
	21,834,203	26,748,910
TOTAL LIABILITIES	683,983,506	685,238,962
NET ASSET VALUE ("NAV")	748,458,866	745,605,425
FINANCED BY:		
UNITHOLDERS' FUND		
Unitholders' capital	519,685,915	519,685,915
Distributed income - realised	45,294,498	42,441,057
Undistributed income - unrealised	183,478,453	183,478,453
TOTAL UNITHOLDERS' FUND	748,458,866	745,605,425
NUMBER OF UNITS IN CIRCULATIONS	573,219,858	573,219,858
NET ASSET VALUE ("NAV") PER UNIT (RM):		
- Before income distribution	1.3057	1.3007

The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached.

CONDENSED STATEMENT OF PROFIT OF LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2022 (UNAUDITED)

	CURRENT		CUMULATIVE	
	Current Year Quarter 30.09.2022 RM	Preceding Year Corresponding Quarter 30.09.2021 RM	Current Year To-date 30.09.2022 RM	Preceding Corresponding Year To-date 30.09.2021 RM
Revenue	19,151,350	22,313,754	57,458,112	64,993,303
Properties expenses				
Property operating expenses	(5,594,340)	(4,713,285)	(16,307,661)	(14,161,685)
Net property income	13,557,010	17,600,469	41,150,451	50,831,618
Unbilled lease income receivable	-	-	-	-
Interest income	176,043	137,425	435,015	249,290
Other income	134,866	119,110	309,550	491,977
Gains from investment properties disposal	-	-	-	-
TOTAL TRUST INCOME	13,867,919	17,857,004	41,895,016	51,572,886
Trust expenses	(2,024,223)	(2,008,586)	(7,506,110)	(6,684,065)
Borrowing costs	(6,778,194)	(6,049,030)	(18,846,739)	(18,004,141)
TRUST EXPENSES	(8,802,417)	(8,057,616)	(26,352,850)	(24,688,206)
Realised income before taxation	5,065,502	9,799,388	15,542,166	26,884,679
Changes in fair value of investment properties	-	-	-	-
Income before taxation	5,065,502	9,799,388	15,542,166	26,884,679
Taxation	-	-	-	-
Total Income	5,065,502	9,799,388	15,542,166	26,884,679
Distribution to unitholders				
- from current period realised net income	-	-	(12,688,726)	-
- from previous period realised net income	-	-	-	-
	-	-	(12,688,726)	-
Realised income retained	5,065,502	9,799,388	2,853,442	26,884,679
Unrealised income retained / (utilised)	-	-	-	-
Net income for the financial period is made up as follows:				
- realised	5,065,502	9,799,388	15,542,166	26,884,679
- unrealised				
Changes in fair value of investment properties	-	-	-	-
Taxation	-	-	-	-
	5,065,502	9,799,388	15,542,166	26,884,679
EARNINGS PER UNIT (SEN)				
- after manager fees (sen)	0.8837	1.7095	2.7114	4.6901
- before manager fees (sen)	0.3357	1.7095	2.7114	4.6900
EARNINGS PER UNIT (SEN)				
- realised	0.8837	1.7095	2.7114	4.6901
- unrealised	-	-	-	-
DISTRIBUTION PER UNIT (SEN)				
- realised from current period	-	-	-	2.8868
- realised from previous period	-	-	-	-
	-	-	-	2.8868

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 2021 and the accompanying explanatory notes attached.

**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE CUMULATIVE QUARTER ENDED 30 SEPTEMBER 2022**

	Unitholder's Capital RM	----- Undistributed Income -----		Total RM
		Realised RM	Unrealised RM	
At 1 September 2022	519,685,915	42,441,057	183,478,453	745,605,425
Operation for the financial period ended 30 June 2022				
Total comprehensive income for the financial period	-	15,542,166	-	15,542,166
Realisation of income from disposal of property	-	-	-	-
<i>Increase in net assets resulting from operations</i>	-	15,542,166	-	15,542,166
Unitholders' transactions				
Distribution to unitholders - 2021 Second Half	-	(12,688,726)	-	(12,688,726)
<i>Increase in net assets resulting from unitholders' transactions</i>	-	(12,688,726)	-	(12,688,726)
At 30 June 2022	519,685,915	45,294,498	183,478,453	748,458,866

	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 31 December 2021				
Total comprehensive income for the financial period	-	30,604,012	821,226	31,425,238
Realisation of income from disposal of property	-	-	-	-
<i>Increase in net assets resulting from operations</i>	-	30,604,012	821,226	31,425,238
Unitholders' transactions				
Distribution to unitholders - 2020 Second Half	-	(16,547,577)	-	(16,547,577)
Distribution to unitholders - 1st Half 2021	-	(16,123,741)	-	(16,123,741)
<i>Increase in net assets resulting from unitholders' transactions</i>	-	(32,671,319)	-	(32,671,319)
At 31 December 2021	519,685,915	42,441,057	183,478,453	745,605,425

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 2021 and the accompanying explanatory notes attached.

**CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE CUMULATIVE QUARTER ENDED 30 SEPTEMBER 2022**

	Current Year To-date 30.09.2022 RM	Preceding Year To-date 31.12.2021 RM
Cash Flows From Operating Activities		
Net income before taxation	15,542,166	31,585,238
<i>Adjustments for:-</i>		
Finance costs	18,846,739	24,024,911
Finance income	(435,015)	(308,025)
Net impairment loss on financial instruments	-	5,558,924
Change in the fair value of properties	-	(981,226)
Operating income before changes in working capital	33,953,890	59,897,822
Changes in working capital:-		
Trade and other receivables	9,947,112	(834,324)
Trade and other payables	(1,473,826)	(3,177,951)
Net cash generated from operating activities	42,427,176	55,885,547
Cash Flows From Investing Activities		
Interest received	435,015	272,651
Proceeds from disposal of investment properties	-	-
Improvement of properties	-	(3,532,981)
Net cash used in investing activities	435,015	(3,260,330)
Cash Flows From Financing Activities		
Distribution paid to unitholders	(12,688,726)	(32,671,417)
Drawdown of term loan	-	-
Repayment of term loan	-	-
Interest paid	(18,628,368)	(23,760,863)
Net cash (used in)/ generated from financing activities	(31,317,094)	(56,432,280)
Net (decrease)/ increase in cash and cash equivalents	11,545,097	(3,807,063)
Cash and cash equivalents at beginning of financial period	33,767,740	37,574,803
Cash and cash equivalents at end of financial period	45,312,837	33,767,740
	(0)	0

The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached.

A. EXPLANATORY NOTES FOR THE QUARTER ENDED 30 SEPTEMBER 2022 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 2022. 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 2021.

A3. AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2021

The audit report of the Trust's financial statements for the financial year ended 31 December 2021 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 2022 dividend amounting to RM9,428,998 to be distributed to the unitholders. The Trust has paid its on 11 October 2022.

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 2021 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 31 DECEMBER 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 RM23.3 million received from lessees for tenancy contracts with tenure of one to twenty five years (Current; RM5.9 million and Non Current: RM17.4 million).

A16. TRADE AND OTHER RECEIVABLES

Included in the Current Assets - Trade and Other Receivables include outstanding rental of RM0.4 million and properties utilities deposit amounting to RM2.5 million.

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

B1. REVIEW OF PERFORMANCE

For financial Quarter 3 of 2022, rental income recorded was at RM19.2 million, lower by 14.2% as compared to the last corresponding financial year of 2021, amounting to RM22.3 million. The decrease was mainly contributed by the drop in revenue in Vista Tower (Occupancy Rate Q3 2022 45.52% vs Q3 2021 55.73%) by RM1.8m whereby our anchor tenant Petronas tenancy ended in Quarter 3 of 2021.

A total of RM5.6 million property expenses was incurred during the financial Quarter 3 of 2022, an increase from RM4.7 million as compared to the last corresponding financial Quarter 3 of 2021. The increase is due to the increase building and maintenance expenses of the buildings which was not fully captured in Quarter 3 of 2021 due to MCO period.

The non-property expenses in Quarter 3 of 2022 were recorded higher by 9.2% and 8.8% respectively as compared to Actual Quarter 3 of 2021 and Budget Quarter 3 2021. This was due to increase in OPR by another 0.25 points as well as budgeted financing repayment that did not materialize due to the disposal which did not materialize in Q2 2022.

The realised income stood at RM5.1 million for the period under review. This amount is approximately 48.3% lower than the last corresponding period and 39.1% lower than the quarter 3 budget of 2022. It was mainly due to the drop in revenue in the current quarter

Gearing ratio was 44.96%, decreased from last quarter of 45.12% and well below the regulatory limit of 50.0%.

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

	Current Quarter 30.09.2022 RM	Preceding Corresponding Quarter 30.09.2021 RM
Revenue		
- Gross revenue (rental income)	19,151,350	22,313,754
- Interest and other income	310,909	256,535
- Gains from investment property disposal	-	-
Total	<u>19,462,259</u>	<u>22,570,289</u>
Expenses		
Property expenses	(5,594,340)	(4,713,285)
Non-property expenses	<u>(8,802,417)</u>	<u>(8,057,616)</u>
Total	<u>(14,396,757)</u>	<u>(12,770,901)</u>
Realised Income before taxation	<u>5,065,502</u>	<u>9,799,388</u>

The Trust's rental income for the current quarter ended 30 September 2022 is lower by 14.2% mainly contributed by the drop in occupancy rate in Vista Tower. In addition, the disposal of South City Plaza as well as the vacancy of Toshiba Tec in June 2022 contribute to the drop.

The Trust's property expenses RM5.6 million was incurred during the current quarter ended 30 September 2022, an increase by 18.7% as compared to the last corresponding financial quarter 2021. it was mainly due to most of the pending expenses on previous year has been started

Net realised income before tax is recorded at RM5.1 million, an decrease of 48.3% compared to the preceding corresponding quarter. It was align in with the decrease in current period revenue as well as increased in property expenses.

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 30.09.2022 RM	Preceding Corresponding Quarter 30.09.2021 RM	Current Year To-date 30.09.2022 RM	Preceding Year To-date 30.09.2021 RM
Earnings before taxation	5,065,502	9,799,388	15,542,166	26,884,679
Taxation at Malaysia Statutory tax rate @ 25%	1,266,375	2,449,848	3,885,542	6,721,170
Non-deductible expenses	43,266	230,804	475,799	661,177
Effect of interest income and other income not subject to tax	(42,250)	(72,398)	(104,404)	(274,211)
Effect of income not subject to tax	-	-	-	-
Effect of income distribution exempted from tax	(1,267,391)	(2,608,254)	(4,256,937)	(7,108,136)
Tax expenses	-	-	-	-

B5. As at 30 September 2022 The Trust's composition of investment portfolio are as follows:

	Acquisition cost (Asset & Enhancement) RM	Fair value as at 30.09.2022 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	523,000,000	69.88	36.51
* Dana 13	99,372,673	118,000,000	15.77	8.24
* Contraves	40,232,532	42,000,000	5.61	2.93
* Wisma Comcorp	30,000,000	36,500,000	4.88	2.55
* Toshiba	32,142,972	32,000,000	4.28	2.23
<i>Education</i>				
* SEGi University	146,062,993	185,000,000	24.72	12.92
* Help University	53,946,379	74,000,000	9.89	5.17
* SEGi College	52,500,000	70,000,000	9.35	4.89
<i>Industrial</i>				
* Deluge Factory	24,216,510	26,000,000	3.47	1.82
<i>Hospitality</i>				
* Holiday Villa Langkawi	59,536,443	100,000,000	13.36	6.98
* Holiday Villa Alor Setar	31,000,000	26,000,000	3.47	1.82
<i>Retail</i>				
* Selayang Mall	132,608,183	137,000,000	18.30	9.56
	1,157,812,415	1,369,500,000	182.98	95.61
* 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 2022 The Trust's composition of investment portfolio are as follows: - Cont'd

Others

Deposits placed with licensed financial institutions

- - -

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 30.09.2022 RM	Preceding Year To-date 31.12.2021 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	(855,987)	(1,074,358)

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 4.20% (preceding correspondence quarter: 3.68%). The gearing ratio is currently 44.96%.

B10. INCOME DISTRIBUTION

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

Types of unit holders

Rates of tax

Resident unitholders;

- Resident company
- Unitholders other than a resident company

No withholding tax; tax at prevailing corporate tax rate
Withholding tax at 10%; effective from 1 January 2012 to 31 December 2022

Non-resident unitholders;

- Non-resident company
- Non-resident institutional investor
- Non-resident other than company and institutional investors

Withholding tax at 24%; effective from 1 January 2012 to 31 December 2022
Withholding tax at 10%; effective from 1 January 2012 to 31 December 2022
Withholding tax at 10%; effective from 1 January 2012 to 31 December 2022

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 2022, 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 2022, 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 2022, 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 30.09.2022 RM	Preceding Corresponding Quarter 30.09.2021 RM
Earnings after taxation	5,065,502	9,799,388
Total number of units issued	573,219,858	573,219,858
Earnings per unit (sen)		
- realised	0.8837	1.7095
- unrealised	-	-
	<u>0.8837</u>	<u>1.7095</u>

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 30.09.2022 RM	Preceding Corresponding Quarter 30.09.2021 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 2022 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 25 November 2022.

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: 25 November 2022