

IGB REAL ESTATE INVESTMENT TRUST

Interim Financial Report for the 3-month ended 31 December 2017

Contents

	Page
Condensed Consolidated Statement of Comprehensive Income	1-2
Condensed Consolidated Statement of Financial Position	3-4
Condensed Consolidated Statement of Changes in Net Asset Value	5-6
Condensed Consolidated Statement of Cash Flows	7-8
Part A - Disclosure requirements pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134	9-11
Part B - Additional disclosures pursuant to the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”)	12-19

IGB Real Estate Investment Trust

Condensed Consolidated Statement of Comprehensive Income

(The figures have not been audited)

	Quarter		Period-To-Date	
	Group	Fund	Group	Fund
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Gross rental income	105,804	97,802	413,152	395,038
Other income	28,550	27,852	111,766	112,306
Gross revenue	134,354	125,654	524,918	507,344
Utilities expenses	(12,105)	(12,109)	(48,802)	(49,870)
Maintenance expenses	(5,403)	(6,519)	(22,558)	(21,654)
Quit rent and assessment	(3,760)	(3,938)	(15,040)	(14,424)
Reimbursement costs	(14,417)	(11,340)	(52,649)	(52,522)
Other operating expenses/upgrades	(3,481)	(266)	(12,306)	(7,765)
Property operating expenses	(39,166)	(34,172)	(151,355)	(146,235)
Net property income	95,188	91,482	373,563	361,109
Changes in fair value on investment properties	40,000	-	40,000	-
Interest income	2,043	1,888	8,335	8,545
Net investment income	137,231	93,370	421,898	369,654
Manager fee	(8,646)	(8,442)	(34,044)	(33,413)
Trustees' fee	(80)	(80)	(320)	(320)
Other trust expenses	(128)	(163)	(491)	(560)
Borrowings costs	(11,250)	(14,395)	(43,677)	(57,525)
Profit before taxation	117,127	70,290	343,366	277,836
Taxation	-	-	-	-
Profit after taxation	117,127	70,290	343,366	277,836
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	117,127	70,290	343,366	277,836
Distribution adjustments ^{*1}	(30,641)	9,367	(565)	38,470
Distributable income	86,486	79,657	342,801	316,306
Profit for the period comprise the following:				
- Realised	77,127	70,290	303,366	277,836
- Unrealised	40,000	-	40,000	-
	117,127	70,290	343,366	277,836
Basic earnings per unit (sen)				
- before Manager fee	3.59	2.26	10.77	8.93
- after Manager fee	3.34	2.02	9.80	7.98

IGB Real Estate Investment Trust

Condensed Consolidated Statement of Comprehensive Income (continued)

(The figures have not been audited)

Note:

*1 *The composition of distribution adjustments is as follows:*

	Quarter		Period-To-Date	
	Group	Fund	Group	Fund
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Changes in fair value on investment properties	(40,000)	-	(40,000)	-
Manager fee payable in units	8,646	8,442	34,044	33,413
Amortisation of fit-out incentives	-	42	42	1,475
Amortisation of capitalised borrowing costs	65	242	2,732	969
Depreciation of plant & machinery	648	641	2,617	2,613
Distribution Adjustments	(30,641)	9,367	(565)	38,470

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 (“AFS FY2016”) and the accompanying notes attached to this Interim Financial Report.

The consolidated results presented in the current quarter and period-to-date include a subsidiary which was incorporated in 2017.

IGB Real Estate Investment Trust

Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	Group As at 31.12.2017 RM'000	Fund As at 31.12.2016 RM'000
Non-current assets		
Investment properties	4,930,000	4,890,000
Plant and equipment	10,220	10,456
	4,940,220	4,900,456
Current assets		
Receivables	25,300	19,406
Cash and bank balances	285,208	274,395
	310,508	293,801
TOTAL ASSET VALUE	5,250,728	5,194,257
FINANCED BY:		
Unitholders' fund		
Unitholders' capital	4,401,760	4,367,920
Accumulated losses	(695,937)	(669,563)
Current year profit	343,366	277,836
Income distribution	(325,890)	(304,210)
Total unitholders' fund	3,723,299	3,671,983
Non-current liabilities		
Borrowings	1,198,765	1,209,176
Payables and accruals	69,131	64,455
	1,267,896	1,273,631
Current liabilities		
Borrowings	14,900	28,053
Payables and accruals	244,633	220,590
	259,533	248,643
Total liabilities	1,527,429	1,522,274
TOTAL UNITHOLDERS' FUND AND LIABILITIES	5,250,728	5,194,257
Number of units in circulation ('000 units)	3,513,452	3,493,474
NET ASSET VALUE ("NAV") (RM'000)		
- Before income distribution	4,049,189	3,976,193
- After income distribution	3,723,299	3,671,983
NAV per unit (RM)		
- Before income distribution	1.1525	1.1382
- After income distribution	1.0597	1.0511

IGB Real Estate Investment Trust

Condensed Consolidated Statement of Financial Position (continued)

(The figures have not been audited)

The unaudited condensed consolidated statement of financial position should be read in conjunction with the AFS FY2016 and the accompanying notes attached to this Interim Financial Report.

The consolidated results presented in the current period-to-date include a subsidiary which was incorporated in 2017.

IGB Real Estate Investment Trust

Condensed Consolidated Statement of Changes in Net Asset Value

(The figures have not been audited)

	Unitholders' Capital RM'000	Accumulated Losses RM'000	Total Unitholders' Fund RM'000
<u>Group</u>			
As at 1 January 2017	4,367,920	(695,937)	3,671,983
Total comprehensive income for the year	-	343,366	343,366
Income distribution	-	(325,890)	(325,890)
Net total comprehensive income for the year	-	17,476	17,476
Unitholders' transactions			
- Issue of new units			
Manager fee paid in units	33,840*	-	33,840
Increase in net assets resulting from unitholders' transactions	33,840	-	33,840
As at 31 December 2017	<u>4,401,760</u>	<u>(678,461)</u>	<u>3,723,299</u>
<u>Fund</u>			
As at 1 January 2016	4,335,072	(669,563)	3,665,509
Total comprehensive income for the year	-	277,836	277,836
Income distribution	-	(304,210)	(304,210)
Net total comprehensive income for the year	-	(26,374)	(26,374)
Unitholders' transactions			
- Issue of new units			
Manager fee paid in units	32,848	-	32,848
Increase in net assets resulting from unitholders' transactions	32,848	-	32,848
As at 31 December 2016	<u>4,367,920</u>	<u>(695,937)</u>	<u>3,671,983</u>

Note:

Issue of new units involves:

	Units '000	Amount RM'000
Manager fee paid in units:		
- for the financial quarter ended 31 December 2016	4,880	8,442
- for the financial quarter ended 31 March 2017	5,082	8,590
- for the financial quarter ended 30 June 2017	4,785	8,229
- for the financial quarter ended 30 September 2017	5,231	8,579
	<u>19,978</u>	<u>33,840*</u>

IGB Real Estate Investment Trust

Condensed Consolidated Statement of Changes in Net Asset Value (continued)

(The figures have not been audited)

The unaudited condensed consolidated statement of changes in net asset value should be read in conjunction with the AFS FY2016 and the accompanying notes attached to this Interim Financial Report.

The consolidated results presented in the current period-to-date include a subsidiary which was incorporated in 2017.

IGB Real Estate Investment Trust

Condensed Consolidated Statement of Cash Flows

(The figures have not been audited)

	Period-To-Date Group 31.12.2017 RM'000	Period-To-Date Fund 31.12.2016 RM'000
Operating activities		
Profit before tax	343,366	277,836
Adjustment for:		
Non-cash items	(2,097)	37,955
Non-operating items	35,342	48,980
Operating profit before changes in working capital	376,611	364,771
Net change in current assets	(6,454)	424
Net change in current liabilities	6,714	(7,912)
Net cash generated from operating activities	376,871	357,283
Investing activities		
Purchase of plant and equipment	(2,432)	(1,426)
Proceeds from disposal of plant and equipment	2	9
Interest received	7,702	8,494
Movement in fixed deposits with maturity of more than 3 months	(147,329)	-
Net cash (used in)/generated from investing activities	(142,057)	7,077
Financing activities		
Interest paid	(53,382)	(53,411)
Distribution paid to unitholders	(304,089)	(283,202)
Proceeds from borrowings	1,200,000	-
Settlement of borrowings	(1,212,559)	-
Payment of financing expenses	(1,300)	-
Movement in restricted cash	4,198	(1,190)
Net cash used in financing activities	(367,132)	(337,803)
Net (decrease)/increase in cash and cash equivalents	(132,318)	26,557
Cash and cash equivalents at beginning of period	244,013	217,456
Cash and cash equivalents at end of period	111,695	244,013
<i>Note:</i>		
<i>Cash and bank balances</i>	<i>285,208</i>	<i>274,395</i>
<i>Less:-</i>		
<i>Fixed deposits with maturity of more than 3 months</i>	<i>(147,329)</i>	<i>-</i>
<i>Restricted cash</i>	<i>(26,184)</i>	<i>(30,382)</i>
<i>Cash and cash equivalents</i>	<i>111,695</i>	<i>244,013</i>

IGB Real Estate Investment Trust

Condensed Consolidated Statement of Cash Flows (continued)

(The figures have not been audited)

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the AFS FY2016 and the accompanying notes attached to this Interim Financial Report.

The consolidated results presented in the current period-to-date include a subsidiary which was incorporated in 2017.

Part A – Disclosure Requirements Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134

A1 Basis of preparation

This Interim Financial Report is unaudited and has been prepared in accordance with MFRS 134 “Interim Financial Reporting” issued by Malaysian Accounting Standards Board, the MMLR and the Securities Commission’s Guidelines on Real Estate Investment Trusts (“REIT Guidelines”). This Interim Financial Report should be read in conjunction with the AFS FY2016 and the accompanying notes attached to this Interim Financial Report. Save for the consolidation of IGB REIT Capital Sdn Bhd, which is a wholly owned subsidiary of IGB REIT via MTrustee Berhad (acting in its capacity as trustee for IGB REIT) as disclosed in Note B9, the accounting policies and methods of computation adopted in this Interim Financial Report are consistent with those disclosed in the AFS FY2016.

A2 Auditors’ report of preceding financial statements

The auditors’ report for FY2016 was not subject to any audit qualification.

A3 Seasonal or cyclical factors

IGB REIT’s operations were not significantly affected by seasonal or cyclical factors.

A4 Significant unusual items

There were no significant unusual items that affect the assets, liabilities, equity, net property income or cash flow during the period-to-date under review.

A5 Material changes in estimates

Not applicable.

IGB Real Estate Investment Trust

A6 Debt and equity securities

Issue of new units:-

	Units '000	Amount RM'000
Manager fee paid		
- for the financial quarter ended 31 December 2016	4,880	8,442
- for the financial quarter ended 31 March 2017	5,082	8,590
- for the financial quarter ended 30 June 2017	4,785	8,229
- for the financial quarter ended 30 September 2017	5,231	8,579
	<u>19,978</u>	<u>33,840</u>

Save for the issuance of new units of IGB REIT as payment for Manager fee and repayment of borrowings as disclosed in Note B9, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current period-to-date.

A7 Income distribution

Pursuant to the distribution policy in clause 17.1 of the deed of trust between IGB REIT Management Sdn Bhd (“Manager”) and MTrustee Berhad (“Trustee”) dated 18 July 2012 (“Deed”), the Manager intends to distribute at least 90% of IGB REIT’s distributable income on a half-yearly basis for each consecutive 6-month period on and ending 30 June and 31 December of each financial year (or such other intervals as the Manager may determine at its absolute discretion).

For the first half ended 30 June 2017, the Manager paid a distributable income amounting to RM153.7 million or 4.38 sen per unit (@ 4.30 sen taxable and 0.08 sen non-taxable) on 30 August 2017.

For the second half ended 31 December 2017, the Manager made an income distribution of 95% of distributable income amounting to RM172.1 million or 4.90 sen per unit (@ 4.79 sen taxable and 0.11 sen non-taxable), to be payable on 28 February 2018 to every unitholder who is entitled to receive such distribution as at 4.00 p.m. on 8 February 2018.

The Board of Directors of the Manager shall make a distribution of at least 90% of IGB REIT’s distributable income on a half-yearly basis for each consecutive 6-month period on and ending 30 June and 31 December 2018 (or such other intervals as the Manager may determine at its absolute discretion).

A8 Segmental reporting

The segmental financial information by operating segments is not presented as IGB REIT is the owner of Mid Valley Megamall and The Gardens Mall both located in Kuala Lumpur, Malaysia, which is considered as one operating segment.

IGB Real Estate Investment Trust

A9 Valuation of investment properties

A revaluation on Mid Valley Megamall and The Gardens Mall had been conducted by One Asia Property Consultants (KL) Sdn Bhd and based on the valuation reports dated 8 January 2018, the market value of Mid Valley Megamall and The Gardens Mall as at 31 December 2017 were respectively at RM3.645 billion and RM1.285 billion, from RM3.610 billion and RM1.280 billion as at 30 September 2017, indicating revaluation surplus of RM35 million and RM5 million respectively. The Board of Directors of the Manager had approved such valuation reports and the announcement on the revaluation of investment properties was made on 8 January 2018.

A10 Material events subsequent to the end of the interim period

There were no material events subsequent to the current period-to-date under review up to the date of this Interim Financial Report.

A11 Changes in the composition of IGB REIT

IGB REIT's fund size increased from 3,493.474 million units as at 31 December 2016 to 3,513.452 million units as at 31 December 2017 arising from the issuance of new units as disclosed in Note A6.

A12 Contingent liabilities and contingent assets

There were no material contingent liabilities or contingent assets as at 31 December 2017.

A13 Capital commitment

There were no major capital commitments as at 31 December 2017.

Part B – Additional Disclosures Pursuant to Paragraph 9.44 of the MMLR

B1 Review of performance

Current quarter results

For the current quarter, IGB REIT's gross revenue was RM134.4 million, up 6.9% against the corresponding quarter in 2016 of RM125.7 million. This was mainly due to higher rental income in the current quarter.

Net property income was RM95.2 million, up 4.0% compared with the corresponding quarter in 2016 of RM91.5 million. This was mainly due to higher rental income in the current quarter.

The distributable income for the current quarter amounted to RM86.5 million or 2.46 sen per unit, consisting of realised profit of RM77.1 million and the non-cash adjustments arising mainly from fair value gain of RM40 million and Manager fee payable in units of RM8.6 million.

Current period-to-date results

For the current period-to-date, IGB REIT's gross revenue was RM524.9 million, up 3.5% against the corresponding period-to-date in 2016 of RM507.3 million. This was mainly due to higher rental income in the current period-to-date.

Net property income was RM373.6 million, up 3.5% compared with the corresponding period-to-date in 2016 of RM361.1 million. This was mainly due to higher rental income in the current period-to-date.

The distributable income for the current period-to-date amounted to RM342.8 million or 9.76 sen per unit, consisting of realised profit of RM303.4 million and the non-cash adjustments arising mainly from fair value gain of RM40 million and Manager fee payable in units of RM34.0 million.

B2 Material changes in quarterly results

For the current quarter, IGB REIT's gross revenue was RM134.4 million, 3.7% higher compared with the immediate preceding quarter of RM129.6 million, mainly due to higher rental income in current quarter.

Net property income was RM95.2 million, 1.0% higher when compared with net property income of RM94.3 million in the preceding quarter, mainly due to higher rental income in the current quarter.

B3 Prospects

Sales in the Malaysian retail industry contracted 1.1% in the third quarter, 2017 in the face of eroding Malaysians purchasing power, according to Retail Group Malaysia (“RGM”). Despite official strong economic performance during the third quarter, the majority of consumers did not feel it or received higher take-home pay. The propensity to spend was not high as reflected in the decline in the Consumer Sentiment Index during the same period. The rising cost of living had further deteriorated the purchasing power of consumers. For the first 9 months of 2017, retail sale growth was only 1.9%, compared with the same period in 2016.

Members of Malaysia Retailers Association (“MRA”) estimated that retail sales rose by 3.8% during the fourth quarter of 2017. In view of that, RGM revised lower its annual growth forecast again from 3.7% to 2.2% for Malaysia retail industry in 2017. This is the third downward revision since end of 2016. Consequently, total sales turnover for the Malaysia retail industry in 2017 was estimated at RM100.0 bil.

From 2018, RGM projected a 6.0% growth rate in retail sales from an earlier 5%. The recovery of the Malaysian retail market next year is highly dependent on election spending, better external economic demand and improved ringgit performance. The ringgit, which had depreciated in the last 18 months before improving slightly in recent few weeks, seems to have an effect on the Malaysian shopping habit.

Notwithstanding the weakening purchasing power and intense retail competition, the Manager would continue to strengthen IGB REIT’s performance by improving customers and shoppers experience in both Mid Valley Megamall and The Gardens Mall. The Manager would proactively explore asset enhancement initiatives and ensure that the tenancy mix is able to meet the evolving demands and preferences of customers, shoppers and retailers. These may translate into a better financial performance that would enable IGB REIT to maintain a stable flow of distributable income, and create long-term value for its unitholders.

B4 Investment objectives and strategies

The Manager’s key objective for IGB REIT is to provide the unitholders with regular and stable distributions and achieve long term growth in NAV per unit, while maintaining an appropriate capital structure. The Manager intends to increase the income and the value of the investment properties through active asset management, asset enhancement initiatives, acquisition growth as well as capital and risk management strategies.

B5 Portfolio composition

During the financial period under review, the portfolio of IGB REIT consists of two (2) investment properties, Mid Valley Megamall and The Gardens Mall.

IGB Real Estate Investment Trust

B6 Utilisation of proceeds raised from issuance of new units

A total of 19.98 million new units were issued by IGB REIT as payment for Manager fee in the current period-to-date.

B7 Taxation

(i) Taxation of IGB REIT

IGB REIT is regarded as Malaysian resident for Malaysian income tax purpose since the Trustee is resident in Malaysia. The income of IGB REIT will be taxable at corporate tax rate.

The tax transparency system under Section 61A of the Malaysian Income Tax Act 1967 ('Act') however, exempts IGB REIT from such taxes in a year of assessment ("YA") if IGB REIT distributes at least 90% of its total taxable income in the same YA.

If less than 90% of its total taxable income is distributed in a YA, then the tax transparency system under Section 61A of the Act would not apply and total taxable income of IGB REIT would continue to be taxed. Income which has been taxed at IGB REIT level will have tax credits attached when subsequently distributed to unitholders.

As the Manager intends to declare more than 90% of the total taxable income of IGB REIT to unitholders for the year ended 31 December 2017, no provision for taxation has been made for the current financial period ended 31 December 2017.

Generally, gains on disposal of investments by IGB REIT are regarded as capital gains and hence, will not be subject to income tax. However, where the investments represent real properties and shares in real property companies, such gains will be subject to real property gains tax ("RPGT").

Any gains on disposal of real properties or shares in real property companies would be subject to RPGT at the following rates:-

Disposal time frame	Rates
Disposal within 3 years of acquisition	30%
Disposal in the 4th year of acquisition	20%
Disposal in the 5th year of acquisition	15%
Disposal after 5 years of acquisition	5%

IGB Real Estate Investment Trust

B7 Taxation (continued)

(ii) Taxation of Unitholders

The tax treatment is dependent on whether IGB REIT has distributed 90% or more of its total taxable income.

(a) REIT distributes 90% or more of total taxable income

Where 90% or more of the total taxable income is distributed by IGB REIT, distributions to unitholders will be subject to tax based on a withholding tax mechanism. The current withholding tax rates are as follows:-

Unitholders	Withholding tax rate
Individuals & All Other Non-Corporate Investors such as institutional investors (resident and non-resident)	10%
Non-resident corporate investors	24%
Resident corporate investors	0%

(b) REIT distributes less than 90% of total taxable income

Where less than 90% of the total taxable income is distributed by IGB REIT, then exemption under Section 61A of the Act will not apply and IGB REIT would have to pay taxes on the taxable income for the year. The distributions made by IGB REIT of such taxed income will have tax credits attached. The tax treatment for unitholders would be as follows:-

- Resident individuals will be subject to tax at their own marginal rates on the distributions and be entitled to tax credits representing tax already paid by IGB REIT.
- Resident corporate investors are required to report the distributions from REITs in their normal corporate tax return and bring such income to tax at the normal corporate tax rate. Where tax has been levied at IGB REIT level, the resident corporate investors are entitled to tax credits.
- No further taxes or withholding tax would be applicable to foreign unitholders. Foreign unitholders may be subject to tax in their respective jurisdictions depending on the provisions of their country's tax legislation and the entitlement to any tax credits would be dependent on their home country's tax legislation.

Distributions representing specific exempt income or gains on disposal of investments at IGB REIT level will not be subject to further income tax when distributed to all unitholders.

IGB Real Estate Investment Trust

B8 Status of corporate proposal

There were no corporate proposals announced but not completed as at the date of this Interim Financial Report.

For Mid Valley Megamall, the amalgamation of Lot 80 and Lot 25 was submitted to Pejabat Pengarah Tanah dan Galian, Wilayah Persekutuan Kuala Lumpur (“PTG”) via Pusat Setempat, Dewan Bandaraya Kuala Lumpur on 23 April 2013. Federal Territories of Kuala Lumpur Land Working Committee has approved the application for surrender and re-alienation. Pending for new title to be issued.

The extended validity period of the consent of the State Authority for the transfer of Mid Valley Megamall in favour of MTrustee Berhad (acting in its capacity as trustee for IGB REIT) expires on 29 March 2018.

The transfer of the strata titles for The Gardens Mall in favour of MTrustee Berhad (acting in its capacity as trustee for IGB REIT) was presented on 22 December 2017 to PTG for registration of transfer.

B9 Borrowings and debt securities

IGB REIT’s borrowings and debts securities as at 31 December 2017 were as follows:-

	As at 31.12.2017 RM’000	As at 31.12.2016 RM’000
Non-current borrowings		
- secured term loan	-	1,209,176
- secured medium term notes	1,198,765	-
Current borrowings		
- secured term loan and revolving credit	-	28,053
- secured medium term notes	14,900	-
	<u>1,213,665</u>	<u>1,237,229</u>

All borrowings are denominated in Ringgit Malaysia.

Medium term notes (“MTN”) programme of up to RM5.0 billion in nominal value (“MTN Programme”)

On 18 August 2017, the Manager of IGB REIT announced on the Main Market of Bursa Securities that IGB REIT Capital Sdn Bhd (“IGBRC”), a special purpose vehicle wholly-owned by IGB REIT via MTrustee Berhad (acting in its capacity as trustee for IGB REIT), had lodged the MTN Programme with the Securities Commission Malaysia (“SC”) pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. The MTN Programme have a tenure of twenty (20) years from the date of first issuance of MTN under the MTN Programme.

IGB Real Estate Investment Trust

B9 Borrowings and debt securities (continued)

On 20 September 2017, IGBRC issued the first tranche AAA-rated MTN (“Tranche 1, MTN”) amounting to RM1.2 billion which was advanced to IGB REIT to fully settle the previous fixed rate term loan. The Tranche 1, MTN has a tenure of 7 years (“Legal Maturity”) effective from 20 September 2017. For the first 5 years (“Expected Maturity”), the Tranche 1, MTN bears a fixed coupon rate of 4.4% per annum. The RM1.2 billion has to be fully repaid on Expected Maturity, otherwise it will cause a trigger event that will result in the coupon rate to be stepped up to 5.4% per annum for the sixth and seventh years. The Tranche 1, MTN is solely secured by Mid Valley Megamall.

B10 Material litigation

The Board of Directors of the Manager is not aware of any pending material litigation as at the date of this Interim Financial Report.

B11 Soft commission received

There was no soft commission received by the Manager and/or its delegates during the current period-to-date.

B12 Summary of NAV, EPU, DPU and market price

	Unit of measurement	Current quarter ended 31.12.2017	Immediate preceding quarter ended 30.09.2017
Number of units in issue	‘000 units	3,513,452	3,508,221
NAV (after income distribution)	RM’000	3,723,299	3,769,667
NAV per unit (after income distribution)	RM	1.0597	1.0745
Total comprehensive income	RM’000	117,127	83,129
Weighted average number of units in issue	‘000 units	3,503,884	3,501,503
Earnings per unit (“EPU”) after Manager fee	sen	3.34	2.37
Distributable income per unit (“DPU”)	sen	2.46	2.69
Closing market price per unit	RM	1.80	1.75

IGB Real Estate Investment Trust

B13 Manager fee

Based on the Deed, the Manager is entitled to receive the following fees from IGB REIT:-

- (i) Base fee of up to 1.0% per annum of total asset value;
- (ii) Performance fee of 5.0% per annum of net property income;
- (iii) Acquisition fee of 1.0% of the transaction value of any real estate and real estate related assets directly or indirectly acquired from time to time by the Trustee; and
- (iv) Divestment fee of 0.5% of the transaction value of any real estate and real estate related assets directly or indirectly sold or divested from time to time by the Trustee.

Total Manager fee for the current period-to-date was RM34,044,000, as follows:-

Type	Quarter 31.12.2017 RM'000	Quarter 31.12.2016 RM'000	Period-to- date 31.12.2017 RM'000	Period-to- date 31.12.2016 RM'000
Base fee	3,887	3,868	15,366	15,358
Performance fee	4,759	4,574	18,678	18,055
Total	8,646	8,442	34,044	33,413

For the current period-to-date, 100% of the total Manager fee had been paid and would be payable in units.

B14 Trustee fee

Based on the Deed, an annual trustee fee of up to 0.03% per annum of the NAV of IGB REIT would be paid to the Trustee.

IGB Real Estate Investment Trust

B15 Unitholdings of the Manager and parties related to the Manager

Based on the Register of Unitholders of IGB REIT as at 31 December 2017, the unitholdings of the Manager and parties related to the Manager were as follows:-

Unitholders of IGB REIT	Direct		Indirect	
	No. of units	%	No. of units	%
IGB REIT Management Sdn Bhd	113,451,957	3.23	-	-
IGB Corporation Berhad	1,733,617,754	49.34	113,451,957	3.23
Goldis Berhad	-	-	1,847,069,711	52.57
Dato' Seri Robert Tan Chung Meng	13,739,081	0.39	1,878,781,813	53.47
Pauline Tan Suat Ming	-	-	1,878,781,813	53.47
Tony Tan @ Choon Keat	1,000,000	0.03	1,878,781,813	53.47
Tan Chin Nam Sendirian Berhad	14,482,888	0.41	1,876,003,346	53.39
Tan Kim Yeow Sendirian Berhad	2,879,665	0.08	1,875,902,148	53.39
Wah Seong (Malaya) Trading Co. Sdn Bhd	26,079,992	0.74	1,849,496,811	52.64

B16 Responsibility statement

In the opinion of the Directors of the Manager, this Interim Financial Report has been prepared in accordance with MFRS 134: Interim Financial Reporting, the MMLR and the REIT Guidelines so as to give a true and fair view of the financial position of IGB REIT as at 31 December 2017 and of its financial performance and cash flows for the financial year ended on that date and duly authorised for release by the Board of Directors of the Manager on 23 January 2018.