

IGB REAL ESTATE INVESTMENT TRUST

Interim Financial Report for the 3-month ended 30 June 2018

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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
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM'000	RM'000	RM'000	RM'000
Gross rental income	100,022	99,242	209,335	205,731
Other income	27,946	28,079	55,423	55,245
Gross revenue	127,968	127,321	264,758	260,976
Utilities expenses	(11,874)	(12,816)	(23,027)	(24,808)
Maintenance expenses	(6,054)	(6,568)	(12,009)	(12,096)
Quit rent and assessment	(3,762)	(3,766)	(7,511)	(7,519)
Reimbursement costs	(12,834)	(13,077)	(25,668)	(27,696)
Other operating expenses/upgrades	(2,716)	(3,094)	(3,302)	(4,802)
Property operating expenses	(37,240)	(39,321)	(71,517)	(76,921)
Net property income	90,728	88,000	193,241	184,055
Interest income	1,358	2,015	3,548	4,016
Net investment income	92,086	90,015	196,789	188,071
Manager fee	(8,350)	(8,229)	(17,277)	(16,819)
Trustees' fee	(80)	(80)	(159)	(159)
Other trust expenses	(247)	(222)	(609)	(306)
Finance costs	(13,229)	(13,768)	(26,313)	(27,677)
Profit before taxation	70,180	67,716	152,431	143,110
Taxation	-	-	-	-
Profit after taxation	70,180	67,716	152,431	143,110
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	70,180	67,716	152,431	143,110
Distribution adjustments ^{*/}	9,130	9,078	18,778	18,561
Distributable income	79,310	76,794	171,209	161,671
Profit for the period comprise the following:				
- Realised	70,180	67,716	152,431	143,110
- Unrealised	-	-	-	-
	70,180	67,716	152,431	143,110
Basic earnings per Unit (sen)				
- before Manager fee	2.23	2.17	4.82	4.57
- after Manager fee	1.99	1.94	4.33	4.09

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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
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM'000	RM'000	RM'000	RM'000
Manager fee payable in Units	8,350	8,229	17,277	16,819
Amortisation of fit-out incentives	-	-	-	42
Amortisation of capitalised borrowing costs	65	242	130	484
Depreciation of plant & machinery	715	607	1,371	1,216
Distribution Adjustments	9,130	9,078	18,778	18,561

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Condensed Consolidated Statement of Comprehensive Income (continued)

(The figures have not been audited)

Statement of Income Distribution:-

	Quarter		Period-To-Date	
	Group	Fund	Group	Fund
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM'000	RM'000	RM'000	RM'000
Gross rental income	100,022	99,242	209,335	205,731
Other income	27,946	28,079	55,423	55,245
Interest income	1,358	2,015	3,548	4,016
	129,326	129,336	268,306	264,992
Less: Expenses	(59,146)	(61,620)	(115,875)	(121,882)
Total comprehensive income for the period	70,180	67,716	152,431	143,110
Distribution adjustment	9,130	9,078	18,778	18,561
Distributable income	79,310	76,794	171,209	161,671
Previous period undistributed realised income	4,489	84,877	-	-
Total realised income available for distribution	83,799	161,671	171,209	161,671
Less: Proposed/declared income distribution	(75,345)	(153,660)	(162,755)	(153,660)
Balance undistributed realised income	8,454	8,011	8,454	8,011
Distribution per Unit ("DPU") (sen)	2.14	4.38	4.62	4.38

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 2017 ("AFS FY2017") and the accompanying notes attached to this Interim Financial Report.

The unaudited condensed consolidated financial results presented in the current quarter and period-to-date include a wholly-owned subsidiary incorporated in July 2017.

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Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	Group As at 30.06.2018 RM'000	Group As at 31.12.2017 RM'000
Non-current assets		
Investment properties	4,930,000	4,930,000
Plant and equipment	9,054	10,220
	4,939,054	4,940,220
Current assets		
Trade and other receivables	25,096	25,300
Cash and bank balances	188,313	285,208
	213,409	310,508
TOTAL ASSET VALUE	5,152,463	5,250,728
FINANCED BY:		
Unitholders' fund		
Unitholders' capital	4,419,333	4,401,760
Accumulated losses	(678,461)	(695,937)
Current year profit	152,431	343,366
Income distribution	(163,103)	(325,890)
Total unitholders' fund	3,730,200	3,723,299
Non-current liabilities		
Borrowings	1,198,895	1,198,765
Trade and other payables	69,344	69,131
	1,268,239	1,267,896
Current liabilities		
Borrowings	14,900	14,900
Trade and other payables	139,124	244,633
	154,024	259,533
Total liabilities	1,422,263	1,527,429
TOTAL UNITHOLDERS' FUND AND LIABILITIES	5,152,463	5,250,728
Number of Units in circulation ('000 units)	3,524,581	3,513,452
NET ASSET VALUE ("NAV") (RM'000)		
- Before income distribution	3,893,303	4,049,189
- After income distribution	3,730,200	3,723,299
NAV per Unit (RM)		
- Before income distribution	1.1046	1.1525
- After income distribution	1.0583	1.0597

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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 FY2017 and the accompanying notes attached to this Interim Financial Report.

The unaudited condensed consolidated financial results presented in the current quarter and period-to-date include a wholly-owned subsidiary incorporated in July 2017.

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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 2018	4,401,760	(678,461)	3,723,299
Total comprehensive income for the year	-	152,431	152,431
Income distribution	-	(163,103)	(163,103)
Net total comprehensive income for the year	-	(10,672)	(10,672)
Unitholders' transactions			
- Issue of new Units			
Manager fee paid in Units	17,573*	-	17,573
Increase in net assets resulting from unitholders' transactions	17,573	-	17,573
As at 30 June 2018	<u>4,419,333</u>	<u>(689,133)</u>	<u>3,730,200</u>
<u>Fund</u>			
As at 1 January 2017	4,367,920	(695,937)	3,671,983
Total comprehensive income for the year	-	143,110	143,110
Income distribution	-	(153,744)	(153,744)
Net total comprehensive income for the year	-	(10,634)	(10,634)
Unitholders' transactions			
- Issue of new Units			
Manager fee paid in Units	17,032	-	17,032
Increase in net assets resulting from unitholders' transactions	17,032	-	17,032
As at 30 June 2017	<u>4,384,952</u>	<u>(706,571)</u>	<u>3,678,381</u>

Note:

Issue of new Units involves:

	Units '000	Amount RM'000
Manager fee paid in Units:		
- for the financial quarter ended 31 December 2017	5,370	8,646
- for the financial quarter ended 31 March 2018	5,759	8,927
	<u>11,129</u>	<u>17,573*</u>

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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 FY2017 and the accompanying notes attached to this Interim Financial Report.

The unaudited condensed consolidated financial results presented in the current quarter and period-to-date include a wholly-owned subsidiary incorporated in July 2017.

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Condensed Consolidated Statement of Cash Flows

(The figures have not been audited)

	Period-To-Date Group 30.06.2018 RM'000	Period-To-Date Fund 30.06.2017 RM'000
Operating activities		
Profit before tax	152,431	143,110
Adjustment for:		
Non-cash items	20,112	18,106
Non-operating items	22,765	23,661
Operating profit before changes in working capital	195,308	184,877
Net change in current assets	(2,136)	(1,512)
Net change in current liabilities	(8,271)	1,284
Net cash generated from operating activities	184,901	184,649
Investing activities		
Purchase of plant and equipment	(240)	(1,286)
Interest received	4,459	3,105
Movement in fixed deposits with maturity of more than 3 months	100,400	-
Net cash generated from investing activities	104,619	1,819
Financing activities		
Interest paid	(26,183)	(26,484)
Distribution paid to unitholders	(259,832)	(150,429)
Movement in restricted cash	(754)	-
Net cash used in financing activities	(286,769)	(176,913)
Net increase in cash and cash equivalents	2,751	9,555
Cash and cash equivalents at beginning of period	111,695	244,013
Cash and cash equivalents at end of period	114,446	253,568
Note:		
<i>Cash and bank balances</i>	<i>188,313</i>	<i>283,950</i>
<i>Less:-</i>		
<i>Fixed deposits with maturity of more than 3 months</i>	<i>(46,929)</i>	<i>-</i>
<i>Restricted cash</i>	<i>(26,938)</i>	<i>(30,382)</i>
<i>Cash and cash equivalents</i>	<i>114,446</i>	<i>253,568</i>

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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 FY2017 and the accompanying notes attached to this Interim Financial Report.

The unaudited condensed consolidated financial results presented in the current quarter and period-to-date include a wholly-owned subsidiary incorporated in July 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 FY2017 and the accompanying notes attached to this Interim Financial Report. The accounting policies and methods of computation adopted in this Interim Financial Report are consistent with those disclosed in the AFS FY2017.

A2 Auditors’ report of preceding financial statements

The auditors’ report for FY2017 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.

A6 Debt and equity securities

Issue of new Units:-

	Units ‘000	Amount RM’000
Manager fee paid		
- for the financial quarter ended 31 December 2017	5,370	8,646
- for the financial quarter ended 31 March 2018	5,759	8,927
	11,129	17,573

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

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A7 Income distribution

The Directors of the Manager have decided to distribute at least 90% of IGB REIT's distributable income on a quarterly basis for the financial year ending 31 December 2018.

For the first quarter ended 31 March 2018, the Manager paid a distribution amounting to RM87.4 million or 2.48 sen per unit (@ 2.40 sen taxable and 0.08 sen non-taxable) on 31 May 2018, representing approximately 95% of total distributable income.

For the second quarter ended 30 June 2018, the Manager made a distribution of 95% of IGB REIT's distributable income amounting to RM75.3 million or 2.14 sen per Unit (@ 2.12 sen taxable and 0.02 sen non-taxable), to be payable on 20 August 2018 to every unitholder who is entitled to receive such distribution as at 4.00 p.m. on 30 July 2018.

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.

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 updates dated 2 July 2018, the market value of Mid Valley Megamall and The Gardens Mall as at 30 June 2018 remained at RM3.645 billion and RM1.285 billion respectively from the immediate preceding quarter.

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 3,513.452 million Units as at 31 December 2017 to 3,524.581 million Units as at 30 June 2018 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 30 June 2018.

A13 Capital commitment

There were no major capital commitments as at 30 June 2018.

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

B1 Review of performance

	Quarter			Period-To-Date		
	30.06.2018 RM'000	30.06.2017 RM'000	Variance %	30.06.2018 RM'000	30.06.2017 RM'000	Variance %
Gross revenue	127,968	127,321	0.5%	264,758	260,976	1.4%
Net property income	90,728	88,000	3.1%	193,241	184,055	5.0%
Profit before taxation	70,180	67,716	3.6%	152,431	143,110	6.5%
Profit after taxation	70,180	67,716	3.6%	152,431	143,110	6.5%
Total comprehensive income for the period	70,180	67,716	3.6%	152,431	143,110	6.5%

Current quarter results

For the current quarter, IGB REIT's gross revenue was RM128.0 million, up 0.5% against the corresponding quarter in 2017 of RM127.3 million. This was mainly due to higher rental income in the current quarter.

Net property income was RM90.7 million, up 3.1% compared with the corresponding quarter in 2017 of RM88.0 million. This was mainly due to higher rental income and lower property operating expenses in the current quarter.

The distributable income for the current quarter amounted to RM79.3 million, consisting of realised profit of RM70.2 million and the non-cash adjustments arising mainly from Manager fee payable in Units of RM8.4 million.

Current period-to-date results

For the current period-to-date, IGB REIT's gross revenue was RM264.8 million, up 1.4% against the corresponding period-to-date in 2017 of RM261.0 million. This was mainly due to higher rental income in the current period-to-date.

Net property income was RM193.2 million, up 5.0% compared with the corresponding period-to-date in 2017 of RM184.1 million. This was mainly due to higher rental income and lower property operating expenses in the current period-to-date.

The distributable income for the current period-to-date amounted to RM171.2 million, consisting of realised profit of RM152.4 million and the non-cash adjustments arising mainly from Manager fee payable in units of RM17.3 million.

B2 Material changes in quarterly results

	Quarter		
	30.06.2018 RM'000	31.03.2018 RM'000	Variance %
Gross revenue	127,968	136,790	-6.4%
Net property income	90,728	102,513	-11.5%
Profit before taxation	70,180	82,251	-14.7%
Profit after taxation	70,180	82,251	-14.7%
Total comprehensive income for the period	70,180	82,251	-14.7%

For the current quarter, IGB REIT's gross revenue was RM128.0 million, 6.4% lower compared with the immediate preceding quarter of RM136.8 million, mainly due to higher rental income in immediate preceding quarter.

Net property income was RM90.7 million, 11.5% lower compared with net property income of RM102.5 million in the preceding quarter, mainly due to lower rental income and higher property operating expenses in the current quarter.

B3 Prospects

The Malaysia retail industry recorded a below-than-expected growth rate of 2.6% in sales for the first quarter of 2018 ("1Q'18"), according to the Malaysia Retailers Association ("MRA"). The retail market had remained subdued early this year, after the poor performance a year ago (-1.2% in 1Q'17). MRA was hopeful that businesses would recover by 2Q'18 with a projected average growth rate of 6%. The change in government seems to have improved consumers' confidence and sentiment.

Retail Group Malaysia ("RGM") has since adjusted 2Q'18 retail sales growth from 3.7% (estimated in March 2018) to 6.3%. The revision reflects greater optimism among MRA members. For 2018 as a whole, RGM has revised upward the annual sales growth from 4.7% to 5.3%, boosted temporarily by the zero-rated Goods and Services Tax ("GST") effective from 1 June 2018. Sales growth for 3Q'18 was revised from 5.2% to 6.8%. For 4Q'18, growth has been revised downwards from 5.0% to 3.5% despite higher consumers' spending during the three-month period with zero-rated GST. Major purchases are expected to have been made from June to August of 2018.

Notwithstanding these developments, the Manager would endeavour to strengthen IGB REIT's performance by improving customers and shoppers experience in both Mid Valley Megamall and The Gardens Mall. The Manager is determined to 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 are expected to translate to a better performance to enable IGB REIT to maintain a stable flow of distributable income, and create long-term value for its unitholders.

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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.

B6 Utilisation of proceeds raised from issuance of new Units

A total of 11.13 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 has decided to declare more than 90% of the total taxable income of IGB REIT to unitholders for the year ending 31 December 2018, no provision for taxation has been made for the current financial period ended 30 June 2018.

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B7 Taxation (continued)

(i) Taxation of IGB REIT (continued)

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%

(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%

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B7 Taxation (continued)

(ii) Taxation of Unitholders (continued)

(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.

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 28 September 2018.

The transfer of the strata titles for The Gardens Mall has been registered in favour of MTrustee Berhad (acting in its capacity as trustee for IGB REIT).

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B9 Borrowings and debt securities

IGB REIT's borrowings and debts securities as at 30 June 2018 were as follows:-

	As at 30.06.2018 RM'000	As at 30.06.2017 RM'000
Non-current borrowings		
- secured term loan	-	1,210,152
- secured medium term notes	1,198,895	-
Current borrowings		
- secured term loan and revolving credit	-	28,270
- secured medium term notes	14,900	-
	<u>1,213,795</u>	<u>1,238,422</u>

All borrowings are denominated in Ringgit Malaysia.

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 30.06.2018	Immediate preceding quarter ended 31.03.2018
Number of Units in issue	'000 units	3,524,581	3,518,822
NAV (after income distribution)	RM'000	3,730,200	3,726,544
NAV per Unit (after income distribution)	RM	1.0583	1.0590
Total comprehensive income	RM'000	70,180	82,251
Weighted average number of Units in issue	'000 units	3,519,934	3,517,092
Earnings per Unit after Manager fee	sen	1.99	2.34
Distributable income	RM'000	79,310	91,899
DPU	sen	2.14	2.48
Closing market price per Unit	RM	1.74	1.55

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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 RM17,277,000, as follows:-

	Quarter 30.06.2018 RM'000	Quarter 30.06.2017 RM'000	Period-To- Date 30.06.2018 RM'000	Period-To- Date 30.06.2017 RM'000
Type				
Base fee	3,814	3,837	7,615	7,616
Performance fee	4,536	4,392	9,662	9,203
Total	8,350	8,229	17,277	16,819

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.

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B15 Unitholdings of the Manager and parties related to the Manager

Based on the Register of Unitholders of IGB REIT as at 30 June 2018, 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	124,581,416	3.53	-	-
IGB Corporation Berhad	1,733,617,754	49.19	124,581,416	3.53
IGB Berhad	-	-	1,858,199,170	52.72
Dato' Seri Robert Tan Chung Meng	14,739,081	0.42	1,889,911,272	53.62
Pauline Tan Suat Ming	-	-	1,889,911,272	53.62
Tony Tan @ Choon Keat	1,000,000	0.03	1,889,911,272	53.62
Tan Chin Nam Sendirian Berhad	14,482,888	0.41	1,887,132,805	53.54
Tan Kim Yeow Sendirian Berhad	2,879,665	0.08	1,887,031,607	53.54
Wah Seong (Malaya) Trading Co. Sdn Bhd	26,079,992	0.74	1,860,626,270	52.79

B16 Notes to the Statement of Comprehensive Income

	Quarter 30.06.2018 RM'000	Quarter 30.06.2017 RM'000	Period-To- Date 30.06.2018 RM'000	Period-To- Date 30.06.2017 RM'000
Depreciation	715	607	1,371	1,216
Allowance for impairment on receivables	<u>941</u>	<u>1,683</u>	<u>1,429</u>	<u>1,710</u>

B17 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 30 June 2018 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 13 July 2018.