

IGB REAL ESTATE INVESTMENT TRUST

Interim Financial Report for the 3-month ended 30 September 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	
	30.09.2018 RM'000	30.09.2017 RM'000	30.09.2018 RM'000	30.09.2017 RM'000
Gross rental income	105,894	101,617	315,229	307,348
Other income	27,831	27,971	83,254	83,216
Gross revenue	133,725	129,588	398,483	390,564
Utilities expenses	(12,550)	(11,889)	(35,577)	(36,697)
Maintenance expenses	(7,099)	(5,059)	(19,108)	(17,155)
Quit rent and assessment	(3,756)	(3,761)	(11,267)	(11,280)
Reimbursement costs	(10,373)	(10,536)	(36,041)	(38,232)
Other operating expenses/upgrades	(3,391)	(4,023)	(6,693)	(8,825)
Property operating expenses	(37,169)	(35,268)	(108,686)	(112,189)
Net property income	96,556	94,320	289,797	278,375
Interest income	1,583	2,276	5,131	6,292
Net investment income	98,139	96,596	294,928	284,667
Manager fee	(8,683)	(8,579)	(25,960)	(25,398)
Trustees' fee	(80)	(81)	(239)	(240)
Other trust expenses	(188)	(57)	(797)	(363)
Finance costs	(13,374)	(4,750)	(39,687)	(32,427)
Profit before taxation	75,814	83,129	228,245	226,239
Taxation	-	-	-	-
Profit after taxation	75,814	83,129	228,245	226,239
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	75,814	83,129	228,245	226,239
Distribution adjustments ^{*1}	9,430	11,515	28,208	30,076
Distributable income	85,244	94,644	256,453	256,315
Profit for the period comprise the following:				
- Realised	75,814	83,129	228,245	226,239
- Unrealised	-	-	-	-
	75,814	83,129	228,245	226,239
Basic earnings per Unit (sen)				
- before Manager fee	2.40	2.62	7.22	7.19
- after Manager fee	2.15	2.37	6.48	6.46

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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	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	RM'000	RM'000	RM'000	RM'000
Manager fee payable in Units	8,683	8,579	25,960	25,398
Amortisation of fit-out incentives	-	-	-	42
Amortisation of capitalised borrowing costs	65	2,183	195	2,667
Depreciation of plant & machinery	682	753	2,053	1,969
Distribution Adjustments	9,430	11,515	28,208	30,076

Statement of Income Distribution:-

	Quarter		Period-To-Date	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	RM'000	RM'000	RM'000	RM'000
Gross rental income	105,894	101,617	315,229	307,348
Other income	27,831	27,971	83,254	83,216
Interest income	1,583	2,276	5,131	6,292
	135,308	131,864	403,614	396,856
Less: Expenses	(59,494)	(48,735)	(175,369)	(170,617)
Total comprehensive income for the period	75,814	83,129	228,245	226,239
Distribution adjustment	9,430	11,515	28,208	30,076
Distributable income	85,244	94,644	256,453	256,315
Previous period undistributed realised income	8,265	8,011	-	-
Total realised income available for distribution	93,509	102,655	256,453	256,315
Less: Proposed/declared income distribution	(80,982)	-	(243,926)	(153,660)
Balance undistributed realised income	12,527	102,655	12,527	102,655
Distribution per Unit ("DPU") (sen)	2.29	-	6.91	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.

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Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	As at 30.09.2018 RM'000	As at 31.12.2017 RM'000
Non-current assets		
Investment properties	4,930,000	4,930,000
Plant and equipment	8,466	10,220
	4,938,466	4,940,220
Current assets		
Trade and other receivables	28,424	25,300
Cash and bank balances	186,338	285,208
	214,762	310,508
TOTAL ASSET VALUE	5,153,228	5,250,728
FINANCED BY:		
Unitholders' fund		
Unitholders' capital	4,427,683	4,401,760
Accumulated losses	(678,461)	(695,937)
Current year profit	228,245	343,366
Income distribution	(244,274)	(325,890)
Total unitholders' fund	3,733,193	3,723,299
Non-current liabilities		
Borrowings	1,198,960	1,198,765
Trade and other payables	75,719	69,131
	1,274,679	1,267,896
Current liabilities		
Borrowings	1,591	14,900
Trade and other payables	143,765	244,633
	145,356	259,533
Total liabilities	1,420,035	1,527,429
TOTAL UNITHOLDERS' FUND AND LIABILITIES	5,153,228	5,250,728
Number of Units in circulation ('000 units)	3,529,642	3,513,452
NET ASSET VALUE ("NAV") (RM'000)		
- Before income distribution	3,977,467	4,049,189
- After income distribution	3,733,193	3,723,299
NAV per Unit (RM)		
- Before income distribution	1.1269	1.1525
- After income distribution	1.0577	1.0597

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.

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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
As at 1 January 2018	4,401,760	(678,461)	3,723,299
Total comprehensive income for the year	-	228,245	228,245
Income distribution	-	(244,274)	(244,274)
Net total comprehensive loss for the year	-	(16,029)	(16,029)
Unitholders' transactions			
- Issue of new Units	25,923*	-	25,923
Manager fee paid in Units	-	-	-
Increase in net assets resulting from unitholders' transactions	25,923	-	25,923
As at 30 September 2018	4,427,683	(694,490)	3,733,193
As at 1 January 2017	4,367,920	(695,937)	3,671,983
Total comprehensive income for the year	-	226,239	226,239
Income distribution	-	(153,816)	(153,816)
Net total comprehensive income for the year	-	72,423	72,423
Unitholders' transactions			
- Issue of new Units	25,261	-	25,261
Manager fee paid in Units	-	-	-
Increase in net assets resulting from unitholders' transactions	25,261	-	25,261
As at 30 September 2017	4,393,181	(623,514)	3,769,667

Note:

Issue of new Units involves:

	Units '000	Amount RM'000
<i>Manager fee paid in Units:</i>		
- for the financial quarter ended 31 December 2017	5,370	8,646
- for the financial quarter ended 31 March 2018	5,759	8,927
- for the financial quarter ended 30 June 2018	5,061	8,350
	<u>16,190</u>	<u>25,923*</u>

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.

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Condensed Consolidated Statement of Cash Flows

(The figures have not been audited)

	Period-To-Date 30.09.2018 RM'000	Period-To-Date 30.09.2017 RM'000
Operating activities		
Profit before tax	228,245	226,239
Adjustment for:		
Non-cash items	28,582	27,447
Non-operating items	34,556	26,135
Operating profit before changes in working capital	291,383	279,821
Net change in current assets	(4,867)	(3,062)
Net change in current liabilities	(3,225)	5,228
Net cash generated from operating activities	283,291	281,987
Investing activities		
Purchase of plant and equipment	(379)	(1,826)
Interest received	6,385	6,921
Movement in fixed deposits with maturity of more than 3 months	147,299	-
Movement in restricted cash	(1,016)	4,198
Net cash generated from investing activities	152,289	9,293
Financing activities		
Interest paid	(52,801)	(53,383)
Distribution paid to unitholders	(335,366)	(304,089)
Proceeds from borrowings	-	1,200,000
Settlement of borrowings	-	(1,212,559)
Payment of financing expenses	-	(1,300)
Net cash used in financing activities	(388,167)	(371,331)
Net increase/(decrease) in cash and cash equivalents	47,413	(80,051)
Cash and cash equivalents at beginning of period	111,695	244,013
Cash and cash equivalents at end of period	159,108	163,962
<i>Note:</i>		
<i>Cash and bank balances</i>	<i>186,338</i>	<i>190,146</i>
<i>Less:-</i>		
<i>Fixed deposits with maturity of more than 3 months</i>	<i>(30)</i>	<i>-</i>
<i>Restricted cash</i>	<i>(27,200)</i>	<i>(26,184)</i>
<i>Cash and cash equivalents</i>	<i>159,108</i>	<i>163,962</i>

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.

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 Listed 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
- for the financial quarter ended 30 June 2018	5,061	8,350
	16,190	25,923

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 quarterly distributable income.

For the second quarter ended 30 June 2018, the Manager paid a distribution amounting to RM75.5 million or 2.14 sen per unit (@ 2.12 sen taxable and 0.02 sen non-taxable) on 20 August 2018, representing approximately 95% of quarterly distributable income.

For the third quarter ended 30 September 2018, the Manager will be making a distribution of 95% of IGB REIT's quarterly distributable income amounting to RM81.0 million or 2.29 sen per Unit (@ 2.25 sen taxable and 0.04 sen non-taxable), to be payable on 29 November 2018 to every unitholder who is entitled to receive such distribution as at 4.00 p.m. on 9 November 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 1 October 2018, the market value of Mid Valley Megamall and The Gardens Mall as at 30 September 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.

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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 3,529.642 million Units as at 30 September 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 September 2018.

A13 Capital commitment

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

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

B1 Review of performance

	Quarter			Period-To-Date		
	30.09.2018 RM'000	30.09.2017 RM'000	Variance %	30.09.2018 RM'000	30.09.2017 RM'000	Variance %
Gross revenue	133,725	129,588	3.2%	398,483	390,564	2.0%
Net property income	96,556	94,320	2.4%	289,797	278,375	4.1%
Profit before taxation	75,814	83,129	-8.8%	228,245	226,239	0.9%
Profit after taxation	75,814	83,129	-8.8%	228,245	226,239	0.9%
Total comprehensive income for the period	75,814	83,129	-8.8%	228,245	226,239	0.9%

Current quarter results

For the current quarter, IGB REIT's gross revenue was RM133.7 million, up 3.2% against the corresponding quarter in 2017 of RM129.6 million. This was mainly due to higher rental income in the current quarter.

Net property income was RM96.6 million, up 2.4% compared with the corresponding quarter in 2017 of RM94.3 million. This was mainly due to higher rental income in the current quarter.

Profit after taxation was RM75.8 million, down 8.8% compared with the corresponding quarter in 2017 of RM83.1 million. This was mainly due to a one-time write-back of step-up interest arising from fixed rate term loan which was fully settled in the corresponding quarter in 2017.

The distributable income for the current quarter amounted to RM85.2 million, consisting of realised profit of RM75.8 million and the non-cash adjustments arising mainly from Manager fee payable in Units of RM8.7 million.

Current period-to-date results

For the current period-to-date, IGB REIT's gross revenue was RM398.5 million, up 2.0% against the corresponding period-to-date in 2017 of RM390.6 million. This was mainly due to higher rental income in the current period-to-date.

Net property income was RM289.8 million, up 4.1% compared with the corresponding period-to-date in 2017 of RM278.4 million. This was mainly due to higher rental income and lower property operating expenses in the current period-to-date.

Profit after taxation was RM228.2 million, up 0.9% compared with the corresponding period-to-date in 2017 of RM226.2 million. This was mainly due to higher rental income in the current period-to-date and a one-time write-back of step-up interest arising from the fixed rate term loan which was fully settled in the corresponding period-to-date in 2017.

The distributable income for the current period-to-date amounted to RM256.5 million, consisting of realised profit of RM228.2 million and the non-cash adjustments arising mainly from Manager fee payable in units of RM26.0 million.

B2 Material changes in quarterly results

	Quarter		
	30.09.2018 RM'000	30.06.2018 RM'000	Variance %
Gross revenue	133,725	127,968	4.5%
Net property income	96,556	90,728	6.4%
Profit before taxation	75,814	70,180	8.0%
Profit after taxation	75,814	70,180	8.0%
Total comprehensive income for the period	75,814	70,180	8.0%

For the current quarter, IGB REIT's gross revenue was RM133.7 million, 4.5% higher compared with the immediate preceding quarter of RM128.0 million, mainly due to higher rental income in current quarter.

Net property income was RM96.6 million, 6.4% higher compared with net property income of RM90.7 million in the preceding quarter, mainly due to higher rental income in current quarter.

B3 Prospects

Retail Group Malaysia ("RGM") has since revised its 2018 retail sales growth forecast for the industry for the second time this year – down to 4.1% from 5.3% estimated in June. The first revision was an upward adjustment from 4.7% in March.

RGM has also revised down the third quarter of 2018 retail growth projection to 6.1%, from 6.8% estimated in June, despite some revival of purchases made during the last week of August (especially for high value-added goods) before the Sales and Services Tax was reintroduced on 1 September 2018. For September, many retailers maintained their prices in order to attract and retain shoppers and consumers. For the fourth quarter, however, RGM revised up its retail sales growth to 4.3% (against the previous estimate in June of 3.5%), underpinned by improved shopping behaviour during the 3-month tax holiday, as well as the continuing favourable economic environment.

Notwithstanding these developments, the Manager would endeavour to strengthen IGB REIT's performance by improving customers and shoppers experience at 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 responsive to meeting the evolving demands and changing preferences of customers and shoppers. 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 16.19 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 September 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 application for amalgamation of Lot 80 and Lot 20004 (formerly known as Lot 25), which including all strata plot components, was re-submitted to Pejabat Pengarah Tanah dan Galian, Wilayah Persekutuan Kuala Lumpur via Pusat Setempat, Dewan Bandaraya Kuala Lumpur in September 2018 and 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 15 August 2019.

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 debts securities as at 30 September 2018 were as follows:-

	As at 30.09.2018 RM'000	As at 30.09.2017 RM'000
Non-current borrowings		
- secured medium term notes	1,198,960	1,198,700
Current borrowings		
- secured medium term notes	1,591	1,591
	<u>1,200,551</u>	<u>1,200,291</u>

All debt securities 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 30.09.2018	Immediate preceding quarter ended 30.06.2018
Number of Units in issue	'000 units	3,529,642	3,524,581
NAV (after income distribution)	RM'000	3,733,193	3,730,200
NAV per Unit (after income distribution)	RM	1.0577	1.0583
Total comprehensive income	RM'000	75,814	70,180
Weighted average number of Units in issue	'000 units	3,522,854	3,519,934
Earnings per Unit after Manager fee	sen	2.15	1.99
Distributable income	RM'000	85,244	79,310
DPU	sen	2.29	2.14
Closing market price per Unit	RM	1.69	1.74

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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 RM25,960,000, as follows:-

	Quarter 30.09.2018 RM'000	Quarter 30.09.2017 RM'000	Period-To- Date 30.09.2018 RM'000	Period-To- Date 30.09.2017 RM'000
Type				
Base fee	3,855	3,863	11,470	11,479
Performance fee	4,828	4,716	14,490	13,919
Total	8,683	8,579	25,960	25,398

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 September 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	129,642,035	3.67	-	-
IGB Corporation Berhad	1,733,617,754	49.12	129,642,035	3.67
IGB Berhad	-	-	1,863,259,789	52.79
Dato' Seri Robert Tan Chung Meng	14,739,081	0.42	1,894,971,891	53.69
Pauline Tan Suat Ming	-	-	1,894,971,891	53.69
Tony Tan @ Choon Keat	1,000,000	0.03	1,894,971,891	53.69
Tan Chin Nam Sendirian Berhad	14,482,888	0.41	1,892,193,424	53.61
Tan Kim Yeow Sendirian Berhad	2,879,665	0.08	1,892,092,226	53.61
Wah Seong (Malaya) Trading Co. Sdn Bhd	26,079,992	0.74	1,865,686,889	52.86

B16 Notes to the Statement of Comprehensive Income

	Quarter 30.09.2018 RM'000	Quarter 30.09.2017 RM'000	Period-To- Date 30.09.2018 RM'000	Period-To- Date 30.09.2017 RM'000
Depreciation Allowance	682	753	2,053	1,969
for/(reversal of) impairment on receivables	<u>(940)</u>	<u>(1,148)</u>	<u>489</u>	<u>562</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, paragraph 9.44 of the MMLR and the provision of the REIT Guidelines so as to give a true and fair view of the financial position of IGB REIT as at 30 September 2018 and of its financial performance and cash flows for the financial period ended on that date and duly authorised for release by the Board of Directors of the Manager on 24 October 2018.