

IGB REAL ESTATE INVESTMENT TRUST

Interim Financial Report for the 3-month ended 31 December 2018

Contents

	Page
Condensed Consolidated Statement of Comprehensive Income	1-3
Condensed Consolidated Statement of Financial Position	4
Condensed Consolidated Statement of Changes in Net Asset Value	5
Condensed Consolidated Statement of Cash Flows	6
Part A - Disclosure requirements pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134	7-9
Part B - Additional disclosures pursuant to the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”)	10-17

IGB Real Estate Investment Trust

Condensed Consolidated Statement of Comprehensive Income

(The figures have not been audited)

	Quarter		Period-To-Date	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Gross rental income	108,462	105,804	423,691	413,152
Other income	28,744	28,550	111,998	111,766
Gross revenue	137,206	134,354	535,689	524,918
Utilities expenses	(12,477)	(12,105)	(48,054)	(48,802)
Maintenance expenses	(6,211)	(5,403)	(25,319)	(22,558)
Quit rent and assessment	(3,757)	(3,760)	(15,024)	(15,040)
Reimbursement costs	(12,628)	(14,417)	(48,669)	(52,649)
Other operating expenses/upgrades	(5,680)	(3,481)	(12,373)	(12,306)
Property operating expenses	(40,753)	(39,166)	(149,439)	(151,355)
Net property income	96,453	95,188	386,250	373,563
Changes in fair value on investment properties	30,000	40,000	30,000	40,000
Interest income	1,625	2,043	6,756	8,335
Net investment income	128,078	137,231	423,006	421,898
Manager fee	(8,720)	(8,646)	(34,680)	(34,044)
Trustees' fee	(81)	(80)	(320)	(320)
Other trust expenses	(396)	(128)	(1,193)	(491)
Finance costs	(13,373)	(11,250)	(53,060)	(43,677)
Profit before taxation	105,508	117,127	333,753	343,366
Taxation	-	-	-	-
Profit after taxation	105,508	117,127	333,753	343,366
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	105,508	117,127	333,753	343,366
Distribution adjustments ^{*1}	(20,531)	(30,641)	7,677	(565)
Distributable income	84,977	86,486	341,430	342,801
Profit for the period comprise the following:				
- Realised	75,508	77,127	303,753	303,366
- Unrealised	30,000	40,000	30,000	40,000
	105,508	117,127	333,753	343,366
Basic earnings per Unit (sen)				
- before Manager fee	3.24	3.59	10.45	10.77
- after Manager fee	2.99	3.34	9.47	9.80

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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Changes in fair value on investment properties	(30,000)	(40,000)	(30,000)	(40,000)
Manager fee payable in Units	8,720	8,646	34,680	34,044
Amortisation of fit-out incentives	-	-	-	42
Amortisation of capitalised borrowing costs	65	65	260	2,732
Depreciation of plant & machinery	684	648	2,737	2,617
Distribution Adjustments	(20,531)	(30,641)	7,677	(565)

IGB Real Estate Investment Trust

Statement of Income Distribution:-

	Quarter		Period-To-Date	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Gross rental income	108,462	105,804	423,691	413,152
Other income	28,744	28,550	111,998	111,766
Interest income	1,625	2,043	6,756	8,335
Changes in fair value on investment properties	30,000	40,000	30,000	40,000
	168,831	176,397	572,445	573,253
Less: Expenses	(63,323)	(59,270)	(238,692)	(229,887)
Total comprehensive income for the period	105,508	117,127	333,753	343,366
Distribution adjustment	(20,531)	(30,641)	7,677	(565)
Distributable income	84,977	86,486	341,430	342,801
Previous period undistributed realised income	12,562	102,655	-	-
Total realised income available for distribution	97,539	189,141	341,430	342,801
Less: Proposed/declared income distribution	(80,728)	(172,422)	(324,619)	(326,082)
Balance undistributed realised income	16,811	16,719	16,811	16,719
Distribution per Unit ("DPU") (sen)	2.28	4.90	9.19	9.28

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.

IGB Real Estate Investment Trust

Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
Non-current assets		
Investment properties	4,960,000	4,930,000
Plant and equipment	7,964	10,220
	4,967,964	4,940,220
Current assets		
Trade and other receivables	27,879	25,300
Cash and bank balances	207,123	285,208
	235,002	310,508
TOTAL ASSET VALUE	5,202,966	5,250,728
FINANCED BY:		
Unitholders' fund		
Unitholders' capital	4,436,366	4,401,760
Accumulated losses	(678,461)	(695,937)
Current year profit	333,753	343,366
Income distribution	(324,967)	(325,890)
Total unitholders' fund	3,766,691	3,723,299
Non-current liabilities		
Borrowings	1,199,025	1,198,765
	1,199,025	1,198,765
Current liabilities		
Borrowings	14,900	14,900
Trade and other payables	222,350	313,764
	237,250	328,664
Total liabilities	1,436,275	1,527,429
TOTAL UNITHOLDERS' FUND AND LIABILITIES	5,202,966	5,250,728
Number of Units in circulation ('000 units)	3,534,810	3,513,452
NET ASSET VALUE ("NAV") (RM'000)		
- Before income distribution	4,091,658	4,049,189
- After income distribution	3,766,691	3,723,299
NAV per Unit (RM)		
- Before income distribution	1.1575	1.1525
- After income distribution	1.0656	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.

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
As at 1 January 2018	4,401,760	(678,461)	3,723,299
Total comprehensive income for the year	-	333,753	333,753
Income distribution	-	(324,967)	(324,967)
Net total comprehensive loss for the year	-	8,786	8,786
Unitholders' transactions			
- Issue of new Units	34,606*	-	34,606
Manager fee paid in Units	-	-	-
Increase in net assets resulting from unitholders' transactions	34,606	-	34,606
As at 31 December 2018	4,436,366	(669,675)	3,766,691
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	33,840	-	33,840
Manager fee paid in Units	-	-	-
Increase in net assets resulting from unitholders' transactions	33,840	-	33,840
As at 31 December 2017	4,401,760	(678,461)	3,723,299

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
- for the financial quarter ended 30 June 2018	5,061	8,350
- for the financial quarter ended 30 September 2018	5,168	8,683
	21,358	34,606*

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.

IGB Real Estate Investment Trust

Condensed Consolidated Statement of Cash Flows

(The figures have not been audited)

	Period-To-Date 31.12.2018 RM'000	Period-To-Date 31.12.2017 RM'000
Operating activities		
Profit before tax	333,753	343,366
Adjustment for:		
Non-cash items	7,064	(2,097)
Non-operating items	46,304	35,342
Operating profit before changes in working capital	387,121	376,611
Net change in current assets	(3,171)	(6,454)
Net change in current liabilities	(142)	6,714
Net cash generated from operating activities	383,808	376,871
Investing activities		
Purchase of plant and equipment	(580)	(2,432)
Proceeds from disposal of plant and equipment	-	2
Interest received	7,800	7,702
Movement in fixed deposits with maturity of more than 3 months	147,299	(147,329)
Movement in pledged deposit	(1,277)	4,198
Net cash generated from/(used in) investing activities	153,242	(137,859)
Financing activities		
Interest paid	(52,800)	(53,382)
Distribution paid to unitholders	(416,313)	(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	(469,113)	(371,330)
Net increase/(decrease) in cash and cash equivalents	67,937	(132,318)
Cash and cash equivalents at beginning of period	111,695	244,013
Cash and cash equivalents at end of period	179,632	111,695
Note:		
<i>Cash and bank balances</i>	207,123	285,208
<i>Less:-</i>		
<i>Fixed deposits with maturity of more than 3 months</i>	(30)	(147,329)
<i>Pledged deposit</i>	(27,461)	(26,184)
<i>Cash and cash equivalents</i>	179,632	111,695

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
- for the financial quarter ended 30 September 2018	5,168	8,683
	21,358	34,606

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.

IGB Real Estate Investment Trust

A7 Income distribution

The Directors of the Manager distribute approximately 95% of IGB REIT's distributable income for the financial year ended 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 paid a distribution amounting to RM80.9 million or 2.29 sen per unit (@ 2.25 sen taxable and 0.04 sen non-taxable) on 29 November 2018, representing approximately 95% of quarterly distributable income.

For the fourth quarter ended 31 December 2018, the Manager made a distribution of 95% of IGB REIT's quarterly distributable income amounting to RM80.7 million or 2.28 sen per Unit (@ 2.24 sen taxable and 0.04 sen non-taxable), to be payable on 28 February 2019 to every unitholder who is entitled to receive such distribution as at 4.00 p.m. on 11 February 2019.

The Board of Directors of the Manager has decided to make a distribution of at least 90% of IGB REIT's distributable income on a quarterly basis for the year ending 31 December 2019 (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.

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 (as an independent registered valuer) and based on the valuation reports dated 10 January 2019, the market value of Mid Valley Megamall and The Gardens Mall as at 31 December 2018 were respectively at RM3.665 billion and RM1.295 billion, from RM3.645 billion and RM1.285 billion as at 30 September 2018, indicating revaluation surplus of RM20 million and RM10 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 10 January 2019.

IGB Real Estate Investment Trust

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 that required disclosure.

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 3,534.810 million Units as at 31 December 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 31 December 2018.

A13 Capital commitment

There were no major capital commitments as at 31 December 2018.

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

B1 Review of performance

	Quarter			Period-To-Date		
	31.12.2018 RM'000	31.12.2017 RM'000	Variance %	31.12.2018 RM'000	31.12.2017 RM'000	Variance %
Gross revenue	137,206	134,354	2.1%	535,689	524,918	2.1%
Net property income	96,453	95,188	1.3%	386,250	373,563	3.4%
Profit before taxation	105,508	117,127	-9.9%	333,753	343,366	-2.8%
Profit after taxation	105,508	117,127	-9.9%	333,753	343,366	-2.8%
Total comprehensive income for the period	105,508	117,127	-9.9%	333,753	343,366	-2.8%

Current quarter results

For the current quarter, IGB REIT's gross revenue was RM137.2 million, up 2.1% against the corresponding quarter in 2017 of RM134.4 million. This was mainly due to higher rental income in the current quarter.

Net property income was RM96.5 million, up 1.3% compared with the corresponding quarter in 2017 of RM95.2 million. This was mainly due to higher rental income in the current quarter.

Profit after taxation was RM105.5 million, down 9.9% compared with the corresponding quarter in 2017 of RM117.1 million. This was mainly due to lower revaluation surplus on investment properties in the current quarter.

The distributable income for the current quarter amounted to RM85.0 million, consisting of realised profit of RM75.5 million and the non-cash adjustments arising mainly from fair value gain of RM30 million and 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 RM535.7 million, up 2.1% against the corresponding period-to-date in 2017 of RM524.9 million. This was mainly due to higher rental income in the current period-to-date.

Net property income was RM386.3 million, up 3.4% compared with the corresponding period-to-date in 2017 of RM373.6 million. This was mainly due to higher rental income and lower property operating expenses in the current period-to-date.

Despite the higher gross revenue and higher net property income in the current period-to-date mainly arising from higher rental income, the profit after taxation was RM333.8 million, down 2.8% compared with the corresponding period-to-date in 2017 of RM343.4 million. This was mainly due to lower revaluation surplus on investment properties in the current period-to-date and a one-time write back of step-up interest in the corresponding period-to-date in 2017.

B1 Review of performance (continued)

Current period-to-date results (continued)

The distributable income for the current period-to-date amounted to RM341.4 million, consisting of realised profit of RM303.8 million and the non-cash adjustments arising mainly from fair value gain of RM30 million and Manager fee payable in units of RM34.7 million.

B2 Material changes in quarterly results

	Quarter		
	31.12.2018 RM'000	30.09.2018 RM'000	Variance %
Gross revenue	137,206	133,725	2.6%
Net property income	96,453	96,556	-0.1%
Profit before taxation	105,508	75,814	39.2%
Profit after taxation	105,508	75,814	39.2%
Total comprehensive income for the period	105,508	75,814	39.2%

For the current quarter, IGB REIT's gross revenue was RM137.2 million, 2.6% higher compared with the immediate preceding quarter of RM133.7 million, mainly due to higher rental income in the current quarter.

Net property income was RM96.5 million, 0.1% lower compared with net property income of RM96.6 million in the preceding quarter, mainly due to higher rental income and higher property operating expenses in the current quarter.

Profit after taxation was RM105.5 million, 39.2% higher compared with the immediate preceding quarter of RM75.8 million, mainly due to revaluation surplus on investment properties in the current quarter.

B3 Prospects

Growth in retail trade for the fourth quarter, 2018 had been revised upwards from 4.3% (estimated in September 2018) to 4.7% by Retail Group Malaysia ("RGM"). School holidays, "Double Eleven" shopping festival, Black Friday sales, Christmas and New Year contributed to a better sale performance during this period. For 2019, RGM projected a 4.5% growth in retail sales in view of the government's one-off distribution of monetary incentives and the rise in minimum wage works to lessen the financial burden of the B40 (bottom 40%) group. Continuing economic growth in 2019 should encourage consumers' spending.

However, business confidence, as measured by the RAM Business Confidence Index, is expected to decline in the first six months of 2019, falling to the lowest level since the index began tracking in 2017. One of the key factors driving sentiment in 2019 is decelerating domestic growth, in addition to uncertain global demand and investment prospects as well as the lack of positive catalysts to boost business sentiment. Consumers are expected to be more prudent with their spending. Higher competition in the face of supply of retail space continuing to outstrip demand has placed rentals under pressure. Escalating operating cost and the higher minimum wage will contribute to challenge retail margins. The short-term outlook remains one of cautious optimism.

IGB Real Estate Investment Trust

B3 Prospects (continued)

Notwithstanding these developments, the Manager will 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 enable IGB REIT to maintain a stable flow of distributable income, and continue to 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.

B6 Utilisation of proceeds raised from issuance of new Units

A total of 21.36 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 ended 31 December 2018, no provision for taxation has been made for the current financial period ended 31 December 2018.

IGB Real Estate Investment Trust

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”).

With effect from 1 January 2019, 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	10%

(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%

IGB Real Estate Investment Trust

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.

IGB Real Estate Investment Trust

B9 Borrowings and debt securities

IGB REIT's debts securities as at 31 December 2018 were as follows:-

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
Non-current borrowings		
- secured medium term notes	1,199,025	1,198,765
Current borrowings		
- secured medium term notes	14,900	14,900
	<u>1,213,925</u>	<u>1,213,665</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 31.12.2018	Immediate preceding quarter ended 30.09.2018
Number of Units in issue	'000 units	3,534,810	3,529,642
NAV (after income distribution)	RM'000	3,766,691	3,733,193
NAV per Unit (after income distribution)	RM	1.0656	1.0577
Total comprehensive income	RM'000	105,508	75,814
Weighted average number of Units in issue	'000 units	3,525,443	3,522,854
Earnings per Unit after Manager fee	sen	2.99	2.15
Distributable income	RM'000	84,977	85,244
DPU	sen	2.28	2.29
Closing market price per Unit	RM	1.73	1.69

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 RM34,680,000, as follows:-

Type	Quarter 31.12.2018 RM'000	Quarter 31.12.2017 RM'000	Period-To- Date 31.12.2018 RM'000	Period-To- Date 31.12.2017 RM'000
Base fee	3,897	3,887	15,367	15,366
Performance fee	4,823	4,759	19,313	18,678
Total	<u>8,720</u>	<u>8,646</u>	<u>34,680</u>	<u>34,044</u>

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 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	134,810,241	3.81	-	-
IGB Berhad	1,733,617,754	49.04	134,810,241	3.81
Dato' Seri Robert Tan Chung Meng	14,739,081	0.42	1,900,140,097	53.76
Pauline Tan Suat Ming	-	-	1,900,140,097	53.76
Tony Tan Choon Keat	1,000,000	0.03	1,900,140,097	53.76
Tan Chin Nam Sendirian Berhad	8,382,888	0.24	1,897,361,630	53.68
Tan Kim Yeow Sendirian Berhad	2,879,665	0.08	1,897,260,432	53.67
Wah Seong (Malaya) Trading Co. Sdn Bhd	26,079,992	0.74	1,870,855,095	52.93

B16 Notes to the Statement of Comprehensive Income

	Quarter 31.12.2018 RM'000	Quarter 31.12.2017 RM'000	Period-To- Date 31.12.2018 RM'000	Period-To- Date 31.12.2017 RM'000
Depreciation	684	648	2,737	2,617
Allowance for / (reversal of) impairment on receivables	<u>(941)</u>	<u>588</u>	<u>(452)</u>	<u>1,150</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 31 December 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 23 January 2019.