

## AL-SALĀM REIT

### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Third Quarter Ended 30 September 2019

| Note   | Individual Quarter   |                                      |              | Cumulative Quarter   |   |            |
|--|----------------------|--------------------------------------|--------------|----------------------|---|------------|
|  | Current Year Quarter | Preceding Year Corresponding Quarter | Change       | Current Year To Date | Preceding Year Corresponding Period to Date | Change     |
|  | 30-09-2019           | 30-09-2018                           |              | 30-09-2019           | 30-09-2018                                  |            |
|  | RM                   | RM                                   | %            | RM                   | RM  | %          |
|  | 22,239,074           | 18,414,406                           | 20.8         | 66,018,347           | 53,782,306                                  | 22.8       |
|  | 1,445,989            | 1,645,524                            | (12.1)       | 4,789,208            | 4,765,917                                   | 0.5        |
| Total revenue                                    | 23,685,063           | 20,059,930                           | 18.1         | 70,807,555           | 58,548,223                                  | 20.9       |
| Utilities expenses                               | (1,708,854)          | (1,740,644)                          | (1.8)        | (4,885,254)          | (4,983,908)                                 | (2.0)      |
| Maintenance expenses                             | (1,073,285)          | (1,439,472)                          | (25.4)       | (3,112,573)          | (3,399,750)                                 | (8.4)      |
| Quit rent and assessment                         | (443,340)            | (363,108)                            | 22.1         | (1,282,100)          | (1,089,326)                                 | 17.7       |
| Other operating expenses                         | (2,972,147)          | (2,800,963)                          | 6.1          | (9,229,527)          | (8,346,622)                                 | 10.6       |
| Property manager fee                             | (112,302)            | (67,500)                             | 66.4         | (306,929)            | (202,500)                                   | 51.6       |
| Property operating expenses                      | (6,309,928)          | (6,411,687)                          | (1.6)        | (18,816,383)         | (18,022,106)                                | 4.4        |
| Net property income                              | 17,375,135           | 13,648,243                           | 27.3         | 51,991,172           | 40,526,117                                  | 28.3       |
| Investment income                                | 249,950              | 252,564                              | (1.0)        | 778,173              | 709,658                                     | 9.7        |
| Gain in fair value adjustment                    | -                    | 747,448                              | (100.0)      | 788,057              | 747,448                                     | 5.4        |
| Net investment income                            | 17,625,085           | 14,648,255                           | 20.3         | 53,557,402           | 41,983,223                                  | 27.6       |
| Manager's management fees                        | (668,186)            | 118,126                              | > (100.0)    | (1,612,646)          | (1,069,367)                                 | 50.8       |
| Trustee's fees                                   | (30,815)             | (30,646)                             | 0.6          | (92,513)             | (91,775)                                    | 0.8        |
| Shariah advisors' fee                            | -                    | (3,000)                              | (100.0)      | -                    | (3,000)                                     | (100.0)    |
| Islamic financing costs                          | (8,646,423)          | (6,067,498)                          | 42.5         | (25,199,852)         | (15,762,061)                                | 59.9       |
| Other trust expenses                             | (330,269)            | (326,001)                            | 1.3          | (1,268,453)          | (1,015,532)                                 | 24.9       |
| Net income before tax                            | 7,949,392            | 8,339,236                            | (4.7)        | 25,383,938           | 24,041,488                                  | 5.6        |
| Taxation   | -                    | -                                    | -            | -                    | -   | -          |
| <b>Net income for the period</b>                 | <b>7,949,392</b>     | <b>8,339,236</b>                     | <b>(4.7)</b> | <b>25,383,938</b>    | <b>24,041,488</b>                           | <b>5.6</b> |
| Other comprehensive income, net of tax           | -                    | -                                    | -            | -                    | -   | -          |
| <b>Total comprehensive income for the period</b> | <b>7,949,392</b>     | <b>8,339,236</b>                     | <b>(4.7)</b> | <b>25,383,938</b>    | <b>24,041,488</b>                           | <b>5.6</b> |
| Net income for the period is made up as follow:  |                      |                                      |              |                      |   |            |
| Realised   | 6,895,725            | 7,591,788                            | (9.2)        | 21,434,880           | 23,294,040                                  | (8.0)      |
| Unrealised                                       | 1,053,667            | 747,448                              | 41.0         | 3,949,058            | 747,448                                     | > 100.0    |
|  | 7,949,392            | 8,339,236                            | (4.7)        | 25,383,938           | 24,041,488                                  | 5.6        |
| Earnings per unit (sen)                          | 1.37                 | 1.44                                 | (4.7)        | 4.38                 | 4.15  | 5.6        |

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the financial statements.

**AL-SALĀM REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 30 September 2019**

|   | Note | Unaudited<br>As At End Of<br>Current Quarter<br>30-09-2019 | Audited<br>As at preceding<br>year ended<br>31-12-2018 |
|---|------|--|--|
|   |      | RM   | RM   |
| <b>ASSETS</b>                               |      |  |  |
| <b>Non-current assets</b>                   |      |  |  |
| Investment properties                       | A9   | 1,182,856,000  | 1,092,686,000  |
| Property, plant & equipment                 |      | 3,071,880  | 895,143  |
| <b>Current Assets</b>                       |      |  |  |
| Trade receivables                           |      | 3,615,935  | 4,853,859  |
| Other receivables & prepayments             |      | 13,923,583   | 7,920,284  |
| Cash and bank balances                      |      | 9,125,584  | 12,489,624   |
| Fixed deposits with licensed banks          |      | 32,276,500   | 34,273,000   |
| Amount due from related companies           |      | 2,430,053  | 3,321,296  |
|   |      | <u>61,371,655</u>  | <u>62,858,063</u>                                      |
| <b>TOTAL ASSETS</b>                         |      | <u>1,247,299,535</u>                                       | <u>1,156,439,206</u>                                   |
| <b>LIABILITIES</b>                          |      |  |  |
| <b>Non-current liabilities</b>              |      |  |  |
| Islamic financing                           | B10  | 596,971,264  | 509,527,596  |
| Other payables and accruals                 |      | 14,076,512   | 13,974,324   |
|   |      | <u>611,047,776</u>   | <u>523,501,920</u>                                     |
| <b>Current Liabilities</b>                  |      |  |  |
| Other payables and accruals                 |      | 10,350,169   | 5,129,645  |
| Provision for income distribution           |      | 6,322,000  | 5,800,000  |
| Amount due to related companies             |      | 64,368   | 1,080,530  |
|   |      | <u>16,736,537</u>  | <u>12,010,175</u>                                      |
| <b>TOTAL LIABILITIES</b>                    |      | <u>627,784,313</u>   | <u>535,512,095</u>                                     |
| <b>NET ASSETS VALUE</b>                     |      | <u>619,515,222</u>   | <u>620,927,111</u>                                     |
| <b>REPRESENTED BY:</b>                      |      |  |  |
| Unitholders' capital                        |      | 572,545,319  | 572,545,319  |
| Undistributed income                        |      | 46,969,903   | 48,381,792   |
| <b>TOTAL UNITHOLDERS' FUND</b>              |      | <u>619,515,222</u>   | <u>620,927,111</u>                                     |
| <b>NUMBER OF UNITS IN CIRCULATION</b>       |      | <u>580,000,000</u>   | <u>580,000,000</u>                                     |
| <b>NET ASSETS VALUE (NAV) PER UNIT (RM)</b> |      | 1.0681   | 1.0706   |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the financial statements.

**AL-SALĀM REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES**  
**IN NET ASSETS VALUE**  
**For the Third Quarter Ended 30 September 2019**

|  | Unitholders'<br>Capital<br>RM | Undistributed income<br>Realised<br>RM | Unrealised<br>RM  | Total<br>RM        |
|--|-------------------------------|--|-------------------|--------------------|
| <b>As at 1 January 2018</b>  | 572,545,319                   | 20,344,661                             | 23,405,655        | 616,295,635        |
| <b>Total comprehensive income<br/>for the period</b>                       | -                             | 23,294,040                             | 747,448           | 24,041,488         |
| <b>Unitholders' transactions</b>   |                               |  |                   |                    |
| Issuance of new units  | -                             | -                                      | -                 | -                  |
| Distribution to unitholders  | -                             | (29,869,935)                           | -                 | (29,869,935)       |
| Issuing expenses   | -                             | -                                      | -                 | -                  |
| <i>Decrease in net assets resulting<br/>from unitholders' transactions</i> | -                             | (29,869,935)                           | -                 | (29,869,935)       |
| <b>As at 30 September 2018</b>   | <u>572,545,319</u>            | <u>13,768,766</u>                      | <u>24,153,103</u> | <u>610,467,188</u> |
| <b>As at 1 January 2019</b>  | 572,545,319                   | 16,541,448                             | 31,840,344        | 620,927,111        |
| <b>Total comprehensive income<br/>for the period</b>                       | -                             | 21,434,880                             | 3,949,058         | 25,383,938         |
| <b>Unitholders' transactions</b>   |                               |  |                   |                    |
| Issuance of new units  | -                             | -                                      | -                 | -                  |
| Distribution to unitholders#   | -                             | (26,795,827)                           | -                 | (26,795,827)       |
| Issuing expenses   | -                             | -                                      | -                 | -                  |
| <i>Decrease in net assets resulting<br/>from unitholders' transactions</i> | -                             | (26,795,827)                           | -                 | (26,795,827)       |
| <b>As at 30 September 2019</b>   | <u>572,545,319</u>            | <u>11,180,501</u>                      | <u>35,789,402</u> | <u>619,515,222</u> |

# Include :

- i) Payment of final income distribution of 2.35 sen per unit for the financial year ended 31 December 2018 (of which 1.90 sen is taxable and 0.45 sen per unit is non taxable in the hand of unitholders) in respect of the period from 1 October 2018 to 31 December 2018 which was paid on 28 February 2019.
- ii) Payment of the first interim income distribution of 1.18 sen per unit for the financial period from 1 January 2019 to 31 March 2019 (of which 1.15 sen is taxable and 0.03 sen per unit is non taxable in the hand of unitholders) which was paid on 12 July 2019.
- iii) Provision of the second interim income distribution of 1.09 sen per unit for the financial period from 1 April 2019 to 30 June 2019 (taxable in the hand of unitholders) which was announced on 30 Aug 2019.

The Condensed Consolidated Statement of Changes In Net Assets Value should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the financial statements.

**AL-SALĀM REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Third Quarter Ended 30 September 2019**

|   | 30-09-2019          | To Date<br>30-09-2018 |
|---|---------------------|-----------------------|
|   | <u>RM</u>           | <u>RM</u>             |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |                     |                       |
| Net income before tax   | 25,383,938          | 24,041,488            |
| Adjustment for:   |                     |                       |
| Islamic financing costs                                       | 25,199,852          | 15,762,061            |
| Investment income   | (778,173)           | (709,658)             |
| Depreciation  | 100,980             | 34,655                |
| Unbilled rental income  | (3,161,001)         | -                     |
| Gain on fair value adjustment                                 | (788,057)           | (747,448)             |
| Operating profit before working capital changes               | <u>45,957,539</u>   | <u>38,381,098</u>     |
| Decrease / (Increase) in trade receivables                    | 1,237,924           | (246,703)             |
| Increase in other receivables and prepayments                 | (4,628,762)         | (5,175,962)           |
| Decrease in amount owing by related parties                   | 3,400,498           | 294,576               |
| (Decrease) / Increase in payables and accruals                | (165,062)           | 5,802,268             |
| Decrease in amount owing to related parties                   | <u>(3,518,984)</u>  | <u>(302,153)</u>      |
| Cash generated from operations                                | 42,283,153          | 38,753,124            |
| Taxes paid  | -                   | -                     |
| Net cash generated from operating activities                  | <u>42,283,153</u>   | <u>38,753,124</u>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |                     |                       |
| Addition to investment properties                             | (89,381,943)        | (157,252,552)         |
| Purchase of equipment   | (2,277,717)         | (179,558)             |
| Income received from other investments                        | 780,835             | 726,238               |
| Decrease / (Increase) in pledged deposits with licensed banks | <u>(291,330)</u>    | <u>(266,000)</u>      |
| Net cash used in investing activities                         | <u>(91,170,155)</u> | <u>(156,971,872)</u>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |                     |                       |
| Net proceeds from Islamic financing                           | 87,026,400          | 159,685,000           |
| Islamic financing costs paid                                  | (23,317,360)        | (14,897,249)          |
| Income distribution paid                                      | <u>(20,473,891)</u> | <u>(24,069,935)</u>   |
| Net cash generated from financing activities                  | <u>43,235,149</u>   | <u>120,717,816</u>    |

**AL-SALĀM REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**For the Third Quarter Ended 30 September 2019**

|   | 30-09-2019        | To Date<br>30-09-2018 |
|---|-------------------|-----------------------|
|   | <u>RM</u>         | <u>RM</u>             |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>       | (5,651,853)       | 2,499,068             |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b> | 34,071,217        | 35,151,281            |
| <b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>       | <u>28,419,364</u> | <u>37,650,349</u>     |
| <b>DEPOSITS, CASH AND BANK BALANCES</b>                           |                   |                       |
| Cash and bank balances  | 9,125,584         | 11,450,349            |
| Fixed deposits with licensed banks                                | 32,276,500        | 36,381,000            |
|   | 41,402,084        | 47,831,349            |
| Less : Pledged deposits with licensed banks                       | (12,982,720)      | (10,181,000)          |
| <b>CASH AND CASH EQUIVALENTS</b>                                  | <u>28,419,364</u> | <u>37,650,349</u>     |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the financial statements.

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Third Quarter Ended 30 September 2019

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#### A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 ("MFRS 134")

##### A1. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Malaysia Financial Reporting Standard (MFRS) 134 and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted by the Fund in this interim financial statements are consistent with those adopted in its most recent Audited Financial Statements for the financial year ended 31 December 2018.

##### Adoption of new MFRSs, amendments to MFRSs, and Issues Committee Interpretation ("IC Interpretation")

The Group has adopted the following new MFRSs, amendments to MFRSs and IC Interpretation for the financial year beginning on 1 January 2019:

- MFRS 16 'Leases' (effective from 1 January 2019)
- Amendments to MFRS 9 'Prepayment Features with Negative Compensation' (effective 1 January 2019)
- Amendments to MFRS 128 'Long-term Interests in Associates and Joint Ventures' (effective 1 January 2019)
- Amendments to MFRSs 'Annual Improvements to MFRSs 2015–2017 Cycle' (effective 1 January 2019)
- IC Interpretation 23 'Uncertainty over Income Tax Payments' (effective 1 January 2019)

The adoption of these new MFRSs, amendments to MFRSs, and IC Interpretation did not result in significant changes to the accounting policies of the Group and had no significant effect on the financial performance or position of the Group.

##### Standards, amendments to MFRSs and IC Interpretation that have been issued but not yet effective

The Group did not early adopt these new standards:

- MFRS 17 'Insurance Contracts' (effective from 1 January 2021)
- MFRSs 'Amendments to References to the Conceptual Framework in MFRS Standards' (effective 1 January 2020)
- Amendments to MFRS 3 'Definition of a Business' (effective 1 January 2020)
- Amendments to MFRS 101 and MFRS 108 'Definition of Material' (effective 1 January 2020)
- Amendments to MFRS 10 and MFRS 128 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture' (effective date deferred to a date to be announced by MASB)

The abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards and Amendments will have no material impact on the financial statements of the Group in the period of initial application.

##### A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The Audited Financial Statements of Al-Salām REIT for the financial year ended 31 December 2018 was not subject to any audit qualification.

## **AL-SALĀM REIT**

### **NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Third Quarter Ended 30 September 2019**

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#### **A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 ("MFRS 134")**

##### **A3. SEASONALITY AND CYCLICALITY OF OPERATIONS**

Al-Salām REIT's operations are not significantly affected by seasonal or cyclical factors.

##### **A4. UNUSUAL ITEMS AFFECTING THE FINANCIAL STATEMENTS**

There were no significant unusual items that affect the financial statement of Al-Salām REIT in the current quarter under review.

##### **A5. CHANGES IN ACCOUNTING ESTIMATES**

There were no changes in accounting estimates arising from the adoption of the new MFRSs, amendments to MFRSs and IC Interpretation that have a material effect during the quarter under review.

##### **A6. ISSUANCES, CANCELLATIONS, REPURCHASES AND REPAYMENT OF DEBT AND EQUITY SECURITIES**

There were no issuances, cancellations, repurchases and repayment of debt and equity securities being made in the current quarter under review.

##### **A7. INCOME DISTRIBUTION**

On 30 August 2019, the Fund declared the second interim income distribution of 1.09 sen per unit for the financial period ending 31 December 2019 (taxable in the hand of unitholders) in respect of the period from 1 April 2019 to 30 June 2019. The said distribution has been paid on 17 October 2019.

##### **A8. SEGMENTAL REPORTING**

Segmental information is presented in respect of the Group's business segments based on the nature of the industry of the Group's investment properties which reflect the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

For management purposes, the Group is segmented into the following operating divisions:

- Retail outlets
- Office buildings
- Food and beverage ("F&B") properties comprising restaurant and non-restaurant outlets
- Others comprising Fund level operations

No information on geographical areas is presented as the Group operates solely in Malaysia.

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Third Quarter Ended 30 September 2019

#### A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 ("MFRS 134")

#### A8. SEGMENTAL REPORTING

##### 30 September 2019

|   | Retail<br>outlets<br>RM'000 | Office<br>buildings<br>RM'000 | F&B<br>Restaurants<br>RM'000 | F&B Non-<br>restaurants<br>RM'000 | Other-<br>Fund level<br>operations<br>RM'000 | Total<br>RM'000 |
|---|-----------------------------|-------------------------------|------------------------------|-----------------------------------|--|-----------------|
| Total revenue                               | 44,842                      | 6,932                         | 10,585                       | 8,449                             | -  | 70,808          |
| Property operating expenses                 | (15,586)                    | (2,700)                       | (21)                         | (202)                             | (307)  | (18,816)        |
| Net property income                         | 29,256                      | 4,232                         | 10,564                       | 8,247                             | (307)  | 51,992          |
| Fair value gain on<br>investment properties | -                           | -                             | 788                          | -                                 | -  | 788             |
| Investment income                           | -                           | -                             | -                            | -                                 | 778  | 778             |
| Net investment income                       | 29,256                      | 4,232                         | 11,352                       | 8,247                             | 471  | 53,558          |
| Total trust expenses                        | -                           | -                             | -                            | -                                 | (2,974)                                      | (2,974)         |
| Islamic financing costs                     | -                           | -                             | -                            | -                                 | (25,200)                                     | (25,200)        |
| Net income before tax                       | 29,256                      | 4,232                         | 11,352                       | 8,247                             | (27,703)                                     | 25,384          |
| Income tax expenses                         | -                           | -                             | -                            | -                                 | -  | -               |
| Net income for the period                   | 29,256                      | 4,232                         | 11,352                       | 8,247                             | (27,703)                                     | 25,384          |
| Total assets                                | 827,566                     | 97,079                        | 252,367                      | 178,981                           | (108,693)                                    | 1,247,300       |
| Total liabilities                           | 18,942                      | 2,227                         | -                            | 715                               | 605,900                                      | 627,784         |

##### 30 September 2018

|   | Retail<br>outlets<br>RM'000 | Office<br>buildings<br>RM'000 | F&B<br>Restaurants<br>RM'000 | F&B Non-<br>restaurants<br>RM'000 | Other-<br>Fund level<br>operations<br>RM'000 | Total<br>RM'000 |
|---|-----------------------------|-------------------------------|------------------------------|-----------------------------------|--|-----------------|
| Total revenue                               | 35,953                      | 7,025                         | 7,474                        | 8,096                             | -  | 58,548          |
| Property operating expenses                 | (14,883)                    | (2,714)                       | (12)                         | (211)                             | (202)  | (18,022)        |
| Net property income                         | 21,070                      | 4,311                         | 7,462                        | 7,885                             | (202)  | 40,526          |
| Fair value gain on<br>investment properties | -                           | -                             | -                            | -                                 | 747  | 747             |
| Investment income                           | -                           | -                             | -                            | -                                 | 710  | 710             |
| Net investment income                       | 21,070                      | 4,311                         | 7,462                        | 7,885                             | 1,255  | 41,983          |
| Total trust expenses                        | -                           | -                             | -                            | -                                 | (2,180)                                      | (2,180)         |
| Islamic financing costs                     | -                           | -                             | -                            | -                                 | (15,762)                                     | (15,762)        |
| Net income before tax                       | 21,070                      | 4,311                         | 7,462                        | 7,885                             | (16,687)                                     | 24,041          |
| Income tax expenses                         | -                           | -                             | -                            | -                                 | -  | -               |
| Net income for the period                   | 21,070                      | 4,311                         | 7,462                        | 7,885                             | (16,687)                                     | 24,041          |
| Total assets                                | 797,879                     | 91,978                        | 161,670                      | 170,003                           | (69,040)                                     | 1,152,490       |
| Total liabilities                           | 20,174                      | 2,625                         | -                            | 695                               | 518,529                                      | 542,023         |



## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Third Quarter Ended 30 September 2019

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#### A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 ("MFRS 134")

##### A9. VALUATION OF INVESTMENT PROPERTIES

There was no valuation performed for the current quarter under review.

##### A10. SUBSEQUENT MATERIAL EVENTS

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

##### A11. CHANGES IN THE COMPOSITION OF THE TRUST

Al-Salām REIT was listed on 29 September 2015 with an initial fund size of 580 million units.

In the Annual General Meeting (AGM) held on 17 April 2019, the following resolutions have been passed by the unit holders of Al-Salām REIT:

###### Ordinary Resolution 1

Proposed authority to allot and issue up to 116,000,000 new units of Al-Salām REIT, representing 20% of the approved fund size of Al-Salām REIT, pursuant to Clause 14.03 of the SC REIT Guidelines.

###### Ordinary Resolution 2

Proposed increase in existing approved fund size of Al-Salām from 580,000,000 units to a maximum of 696,000,000 units pursuant to Ordinary Resolution 1.

However, there were no issuance of new units for the current quarter under review.

##### A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets to be disclosed in the current quarter under review.

##### A13. CAPITAL COMMITMENT

There were no major capital commitments to be disclosed in the current quarter under review.

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Third Quarter Ended 30 September 2019

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#### A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 ("MFRS 134")

##### A14. SIGNIFICANT RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Group if the Group have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

|  | <b>The Group</b>  | <b>The Fund</b>   |                   |
|--|-------------------|-------------------|-------------------|
|  | <b>30-09-2019</b> | <b>30-09-2019</b> | <b>30-09-2018</b> |
|  | <b>RM'000</b>     | <b>RM'000</b>     | <b>RM'000</b>     |
| Rental income                              | 28,379            | 28,581            | 22,240            |
| Other property management and fees charged | 4,802             | 4,802             | 4,538             |
| Finance cost paid/payable to a subsidiary  | -                 | 6,795             | -                 |

The related party transactions described above were entered into in the normal course of business and are based on negotiated and mutually agreed terms.

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Third Quarter Ended 30 September 2019

#### B. ADDITIONAL INFORMATION PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD'S MAIN MARKET LISTING REQUIREMENTS

##### B1. REVIEW OF PERFORMANCE

|                                    | Quarter ended |               |         | Cumulative period ended |               |        |
|------------------------------------|---------------|---------------|---------|-------------------------|---------------|--------|
|                                    | 30-09-2019    | 30-09-2018    | Change  | 30-09-2019              | 30-09-2018    | Change |
|                                    | RM'000        | RM'000        | %       | RM'000                  | RM'000        | %      |
| <b>Total revenue</b>               |               |               |         |                         |               |        |
| Retail outlets                     | 14,536        | 12,443        | 16.8    | 44,842                  | 35,953        | 24.7   |
| Office buildings                   | 2,294         | 2,345         | (2.2)   | 6,932                   | 7,025         | (1.3)  |
| F&B restaurants                    | 4,023         | 2,573         | 56.4    | 10,585                  | 7,474         | 41.6   |
| F&B non-restaurants                | 2,832         | 2,699         | 4.9     | 8,449                   | 8,096         | 4.4    |
| Total                              | <u>23,685</u> | <u>20,060</u> | 18.1    | <u>70,808</u>           | <u>58,548</u> | 20.9   |
| <b>Net property income ("NPI")</b> |               |               |         |                         |               |        |
| Retail outlets                     | 9,365         | 7,041         | 33.0    | 29,256                  | 21,070        | 38.9   |
| Office buildings                   | 1,342         | 1,494         | (10.2)  | 4,232                   | 4,311         | (1.8)  |
| F&B restaurants                    | 4,014         | 2,569         | 56.2    | 10,564                  | 7,462         | 41.6   |
| F&B non-restaurants                | 2,766         | 2,612         | 5.9     | 8,247                   | 7,885         | 4.6    |
| Property manager fee               | (112)         | (68)          | 64.7    | (307)                   | (202)         | 52.0   |
| Total                              | <u>17,375</u> | <u>13,648</u> | 27.3    | <u>51,992</u>           | <u>40,526</u> | 28.3   |
| Investment income                  | 250           | 253           | (1.2)   | 778                     | 710           | 9.6    |
| Gain in fair value adjustment      | -             | 747           | (100.0) | 788                     | 747           | 5.5    |
| Trust expenses                     | (9,676)       | (6,309)       | 53.4    | (28,174)                | (17,942)      | 57.0   |
| <b>Net income before tax</b>       | <u>7,949</u>  | <u>8,339</u>  | (4.7)   | <u>25,384</u>           | <u>24,041</u> | 5.6    |

#### Review of Individual/Cumulative Quarter Results

##### **Retail outlets**

The retail segment reported a total revenue of RM14.5 million for the current quarter ended 30 September 2019 (Q3 2019), an increase of RM2.1 million compared to the preceding year corresponding quarter (Q3 2018) of RM12.4 million. This was due to higher rental income from Mydin Hypermart Gong Badak of RM3.2 million and from @Mart of RM0.1 million offsetted by lower rental income of RM1.2 million from KOMTAR JBCC. Net property income (NPI) of RM9.4 million represented an increase of RM2.3 million due to the increase in total revenue as stated earlier and lower operating expenses of RM0.2 million from all retail outlets.

For the cumulative period to-date, total revenue and net property income of the retail segment had experienced an increase of RM8.9 million and RM8.2 million respectively due to rental income from Mydin Hypermart Gong Badak of RM10.1 million and @Mart of RM0.3 million offsetted by lower rental income from KOMTAR JBCC of RM1.5 million and higher operating expenses of RM0.7 million from all retail outlets.

##### **Office building**

Despite the challenging office market environment, the office segment managed to record a total revenue of RM2.3 million for Q3 2019, a decrease of RM51,434 compared to Q3 2018. This was mainly contributed by a decrease in occupancy rate of Menara KOMTAR. NPI of the office segment in Q3 2019 was RM1.3 million, higher by RM151,490 compared to the preceding year corresponding quarter due to decrease in total revenue and higher operating expenses.

For the cumulative period to-date, total revenue reported a decrease of RM92,688 while NPI reported a decrease of RM79,204 due to higher operating expenses incurred in addition of lower occupancy rate of 89% (Q3 2018:91%).

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Third Quarter Ended 30 September 2019

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#### **B. ADDITIONAL INFORMATION PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD'S MAIN MARKET LISTING REQUIREMENTS**

##### **B1. REVIEW OF PERFORMANCE (continued)**

###### **F&B restaurants**

For Q3 2019, total revenue and NPI recorded an increase of RM1.4 million compared to Q3 2018. This was due to the addition of 16 QSR Properties in March 2019.

For cumulative period to-date, total revenue and NPI recorded an increase of RM3.1 million compared to Q3 2018. This was due to upward rental revision of 3.71% of RM0.1 million on the 27 existing properties in May and September 2018 respectively and RM3.0 million for the addition of 16 QSR Properties in March 2019. The properties are on a Triple Net arrangement with 100% occupancy rate (Q3 2018:100%).

###### **F&B non-restaurant**

There was an increase of 4.9% or RM0.1 million in total revenue and NPI between Q3 2019 and Q3 2018 due to upward rental revision of 3.71% or RM0.1 million on the 5 existing properties in May and September 2018 respectively and RM57 thousand from the addition of 1 QSR Property in March 2019.

For cumulative period to-date, there was an increase of RM0.3 million in total revenue and NPI between Q3 2019 and Q3 2018 due to upward rental revision of 3.71% or RM0.2 million on the 5 existing properties in May and September 2018 respectively and RM0.1 million from the addition of 1 QSR Property in March 2019. The occupancy rate are 100% (Q3 2018:100%).

###### **Net income before tax**

For Q3 2019, lower net income before tax of RM7.9 million (Q3 2018: RM8.3 million) was reported. This was mainly due to no fair value gain on investment properties, offset higher rental income and lower operating expenses from retail segment as well as higher Islamic financing costs due to issuance of Sukuk for the acquisition of Mydin Hypermart Gong Badak and Term Financing-i for the acquisition of 17 QSR Properties.

For the financial period ended 30 September 2019, Al-Salām REIT recorded a total revenue of RM70.8 million representing an increase of RM12.3 million from RM58.5 million recorded in previous corresponding period. After taking into consideration Islamic financing costs and trust expenses totalling RM28.2 million, the net income before tax was RM25.4 million (realised of RM21.4 million and unrealised of RM4.0 million) compared to RM24.0 million in the previous corresponding period. The increase was mainly due to additional rental income from Mydin Hypermart Gong Badak and 17 QSR Properties offsetted by higher fair value on investment properties and higher Islamic financing costs as mentioned above.

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Third Quarter Ended 30 September 2019

#### B. ADDITIONAL INFORMATION PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD'S MAIN MARKET LISTING REQUIREMENTS

#### B2. MATERIAL CHANGES IN NET INCOME BEFORE TAXATION FOR THE QUARTER AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER

|                                      | Quarter ended        |                      | Change<br>%  |
|--------------------------------------|----------------------|----------------------|--------------|
|                                      | 30-09-2019<br>RM'000 | 30-06-2019<br>RM'000 |              |
| <b>Total revenue</b>                 |                      |                      |              |
| Retail outlets                       | 14,536               | 14,951               | (2.8)        |
| Office buildings                     | 2,294                | 2,307                | (0.6)        |
| F&B restaurants                      | 4,023                | 3,889                | 3.4          |
| F&B non-restaurants                  | 2,832                | 2,783                | 1.8          |
|                                      | <b>23,685</b>        | <b>23,930</b>        | <b>(1.0)</b> |
| <b>Net property income ("NPI") :</b> |                      |                      |              |
| Retail outlets                       | 9,365                | 9,684                | (3.3)        |
| Office buildings                     | 1,342                | 1,447                | (7.3)        |
| F&B restaurants                      | 4,014                | 3,880                | 3.5          |
| F&B non-restaurants                  | 2,766                | 2,713                | 2.0          |
| Property manager fee                 | (112)                | (106)                | 5.7          |
|                                      | <b>17,375</b>        | <b>17,618</b>        | <b>(1.4)</b> |
| Investment income                    | 250                  | 267                  | (6.4)        |
| Gain in fair value adjustment        | -                    | 332                  | (100.0)      |
| Trust expenses                       | (9,676)              | (9,855)              | (1.8)        |
| <b>Net income before tax</b>         | <b>7,949</b>         | <b>8,362</b>         | <b>(4.9)</b> |

Total revenue recorded a decrease of 1.0% due to lower rental income of RM0.4 million from retail segment offsetted by higher rental income of RM0.2 million from F&B restaurant. Net income before tax reported a decrease of 4.9% mainly due to higher fair value on investment properties of RM0.3 million and lower rental income as mentioned above.

#### B3. PROSPECTS

The IMF expects world economic growth of 3% for 2019, observed to be it's weakest expansion since the global financial crisis. The institution also trimmed its global growth forecast for 2020 by 0.1 percentage points to 3.4%, saying that rising trade and geopolitical tensions had put economies in a "precarious" positions". Domestically, Maybank's view on the Malaysia economy is cautiously constructive as growth is expected to run at a slightly faster pace of 4.8% in 2020 from 4.7% in 2019 despite the external headwinds (Source: Ministry of Finance)

The Manager expects performance of Al-Salām REIT towards the end of FY2019 will take a hit due to no contribution from the former anchor tenant, Metrojaya in KOMTAR JBCC effective from 1 January 2019. However, it will be slightly compensated by improved performances of other properties as well as the 25bps cut in the Overnight Policy Rate (OPR) in May. Even though Bank Negara Malaysia (BNM) is unlikely to change the OPR until year end following the US's rate reduction on 30th October 2019, market largely expects BNM to cut rate further in Q1 2020 to prevent growth falling below potential, and to uphold underlying inflation at tenable levels (Source: Bernama). Nonetheless, Al-Salām REIT will undertake profit rate swap from significant percentage of its borrowings to a fixed rate to reduce the risks of interest rate movements in the future.

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Third Quarter Ended 30 September 2019

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#### **B. ADDITIONAL INFORMATION PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD'S MAIN MARKET LISTING REQUIREMENTS**

#### **B3. PROSPECTS (continued)**

##### **Retail segment**

Retail Group Malaysia (“RGM”) has maintained Q3 retail growth performance expectation at 3.2% although it has revised the retail sales growth forecast for 2019 to 4.4% from 4.9%, estimated last June. The association opined that domestically, slow economic momentum and limited policies to stimulate consumers’ spending hamper the growth of retail stores while the trade disputes among major economies led to slower export growth, declining stock market performance and weakening local currency. Nonetheless year-end school holiday, festive celebrations and aggressive promotions by retailers is expected to move the sale of consumer goods for the final quarter expected to be at 5.8%. (Source: Retail Group Malaysia)

In Johor Bahru, entrances of new concept malls with incentives to lure tenants is causing pressure for existing malls to maintain performance. Between 2019 and 2021, it is expected that the city’s retail space will increase by 3 million sqf from the current 15.9 million sf. For Komtar JBCC, the vacant anchor tenant creates an income hole for Al-Salām REIT. However this presents an opportunity for the mall to reconfigure space to accommodate higher margin F&B segments in catering to the latest shopping mall trend.

The strategic location of KOMTAR JBCC will remain the key selling points to continue taking the lead as the preferred shopping destination. KOMTAR JBCC will have better prospects in the immediate future as higher footfalls is expected with the recently completed Menara JLand and upcoming Holiday Inn Hotel as well as direct linkage with Ibrahim International Business District (IIBD).

@Mart Kempas has maintained high occupancy rate of 99% (FY2018: 97%) as at the end of Q3 2019. @Mart Kempas is expected to remain resilient in the challenging economic situation by virtue of being a community mart that targets the lower and middle income market and offers shoppers a wide range of necessity household products. The Manager is undertaking research to increase the net lettable area (“NLA”) in view of the good demand for @Mart Kempas’ space.

Mydin Hypermart Gong Badak continues to enjoy stable performance in view of its standing as the prominent mall in the Kuala Terengganu area as the mall continues to serve captive retail of 200k population The Triple Net arrangement provides long term occupancy and further stability to the Fund.

##### **Office segment**

The surplus overhang in office space within Klang Valley will continue to dampen rental and occupancy rates coming into the new year. Comparatively, Johor Bahru’s office space performance is faring better than its northern counterpart as the Iskandar Region continues to receive substantial investments for future economic developments. For Menara KOMTAR, the long term tenancy by Johor Corporation provides a long term occupancy reliability as shown by its occupancy rate of 88%.

##### **Food & Beverages segment**

The Fund’s food and beverage property assets is expected to register stable performance going forward as QSR strong market share and future plan for revenue expansion will be funneled into improvements of rental yields going forward. The completed acquisition of 17 QSR Properties on 19 March 2019 is also anticipated to have positive impact for the full year earnings of FY2019 to Al-Salām REIT. Malaysian College of Hospitality and Management is being 100% tenanted via Triple Net Lease arrangement by the education and hospitality division of KPJ group of companies. With the resilience of Food & Beverages industry, it will continue to provide income stability to Al-Salām REIT.

The Manager warrants the existing assets within the portfolio are well maintained to ensure the stability of rental income, stable income distributions for Al-Salām REIT and create long-term value for its unitholders. In addition, the Manager is always on the lookout for potential acquisitions including pipeline assets from the Johor Corporation Group to achieve sustainable growth of Al-Salām REIT.

**B. ADDITIONAL INFORMATION PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD'S MAIN MARKET LISTING REQUIREMENTS**

**B4. UTILISATION OF PROCEEDS RAISED FROM ANY ISSUANCE OF NEW UNITS**

There was no issuance of new units during the current quarter under review.

**B5. TAXATION**

Pursuant to the amendment of Section 61A of the Income Tax Act, 1967, under the Finance Act 2006 which was gazetted on 31 December 2006, where in the basis period for a year assessment, 90% or more of the total income of the trust is distributed to unitholders, the total income of the trust for that year of assessment shall be exempted from tax.

In accordance with the Deed, the Fund is required to distribute at least 90% of its distributable income. The Manager also expects to distribute the net income within 2 months from the end of each financial year and accordingly, no estimated current tax payable or deferred tax is required to be provided in the financial statements.

**B6. GAIN OR LOSS ON SALE OF UNQUOTED INVESTMENTS AND PROPERTIES**

There were no disposal of unquoted securities or investment properties during the current quarter under review.

**B7. PURCHASE AND DISPOSAL OF QUOTED SECURITIES**

There were no purchase or disposal of quoted securities during the current quarter under review.

**B8. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED**

**i) Proposed Acquisition of 22 QSR Properties ("Proposed Acquisition")**

**ii) Proposed Placement of new units of up to RM60 million ("Proposed Placement")**

On 30 November 2017, Al-Salām REIT had entered into 3 conditional sale and purchase agreements with Kentucky Fried Chicken (Malaysia) Sendirian Berhad, KFC (Peninsular Malaysia) Sdn Bhd, KFC (Sabah) Sdn Bhd and SPM Restaurants Sdn Bhd ("Vendors") for the acquisition of 22 properties located across Malaysia for a total cash consideration of RM115.0 million to be funded via proceeds from the Proposed Placement and borrowings.

In view of weak market sentiments and the expiry of the extended conditional period of the SPAs on 28 February 2019, the Board had resolved not to implement the Proposed Placement and to vary the source of funding for the Purchase Consideration to entirely borrowings ("Variation").

As a result of the Variation, state authorities' consents are required to be obtained to charge the 5 properties under SPA 3 in favour of the Trustee's financier. For avoidance of doubt, state authorities' consents to charge are not required for the properties under SPA 1 and SPA 2. In view of the above, the parties to SPA 3 have amended one of the Conditions Precedent of SPA 3 and extended the conditional period of SPA 3. As SPA 1 and SPA 2 do not require state authorities' consent, the Trustee and the Vendors have agreed to waive the inter-conditionality of the SPAs to allow SPA 1 and SPA 2 to become unconditional on or before the expiry of the extended conditional period of the SPAs. On 28 August 2019, Al-Salām REIT requesting for a further extension period of 6 months from 28 August 2019 to 20 February 2020 to fulfil the said condition precedent.

The acquisition of 17 properties under SPA 1 and SPA 2 has been completed on 19 March 2019.

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Third Quarter Ended 30 September 2019

#### B. ADDITIONAL INFORMATION PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD'S MAIN MARKET LISTING REQUIREMENTS

##### B9. TRADE RECEIVABLES

|                   | The Group           |                     |
|-------------------|---------------------|---------------------|
|                   | As at<br>30-09-2019 | As at<br>30-09-2018 |
|                   | RM'000              | RM'000              |
| Trade receivables | 3,616               | 4,770               |

Trade receivables comprise rental receivable from lessees. The credit period granted by the Fund on rental receivable from lessees ranges from 30 to 60 days (2018: 30 to 60 days).

The aging analysis of the Group's trade receivables is as follows:

|               | As at<br>30-09-2019 | As at<br>30-09-2018 |
|---------------|---------------------|---------------------|
|               | RM'000              | RM'000              |
| 0 - 30 days   | 1,737               | 1,019               |
| 31 - 60 days  | 1,530               | 648                 |
| 61 - 90 days  | 2                   | 217                 |
| 91 - 120 days | 347                 | 2,886               |
|               | 3,616               | 4,770               |

The Group has not recognised any allowance for doubtful debts as the Fund holds tenant deposits as credit enhancement and the amounts are considered recoverable.

##### B10. ISLAMIC FINANCING

|   | The Group           |                     |
|---|---------------------|---------------------|
|   | As at<br>30-09-2019 | As at<br>30-09-2018 |
|   | RM'000              | RM'000              |
| <u>Current</u>                                      |                     |                     |
| <u>Secured</u>                                      |                     |                     |
| - Commodity Murabahah Revolving Credit-i ("CMRC-i") | -                   | -                   |
| <u>Non-current</u>                                  |                     |                     |
| <u>Secured</u>                                      |                     |                     |
| - Commodity Murabahah Term Financing-i ("CMTF-i")   | 350,000             | 350,000             |
| - Sukuk Ijarah - Islamic Medium Term Notes ("IMTN") | 162,785             | 162,785             |
| - Term Financing-i ("TF-i")                         | 87,026              | -                   |
| - Transaction costs                                 | (2,840)             | (3,758)             |
|   | 596,971             | 509,027             |
| <u>Current</u>                                      |                     |                     |

Islamic financing - current facility is a Commodity Murabahah Revolving Credit-I ("CMRC-i") dated 14 June 2017 where the facility amount given up to the aggregate principal limit of RM10 million from RHB Islamic Bank Berhad to part finance the general working capital requirements of the Fund. The effective rate for the CMRC-i will be based on Costs of Funds ("COF") + 1.50% per annum.



## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Third Quarter Ended 30 September 2019

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#### **B. ADDITIONAL INFORMATION PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD'S MAIN MARKET LISTING REQUIREMENTS**

##### **B10. ISLAMIC FINANCING (continued)**

###### Non-current

Islamic financing - non-current facility is a Commodity Murabahah Term Financing-i ("CMTF-i") dated 14 April 2015 amounting to RM350.0 million from RHB Islamic Bank Berhad and Maybank Islamic Berhad (collectively "the Banks") to part finance the acquisition of the investment properties of the Fund in 2015. The nominal value of the CMTF-i comprised Tranche 1 and Tranche 2, amounting to RM136.04 million and RM213.96 million, respectively. The CMTF-i profit is payable over a period of 60 months from the date of first disbursement with full repayment of principal sum on the 60th month. The effective profit rate for the CMTF-i will be based on COF + 1.35% per annum for the first 16 months, COF + 1.40% per annum for the next 8 months and COF + 1.50% per annum for the remaining duration of the CMTF-i. The COF is based on each respective Banks' COF. The average effective profit rate for the CMTF-i is 5.54% (2018: 5.38%).

The total transaction costs of RM4.5 million incurred in 2015 were debited against the amount of the Islamic financing facility on drawdown date comprising, amongst others, processing and stamping fees, legal advisory fees and other establishment fees.

On 24 August 2018, the Group through its subsidiary, ALSREIT Capital Sdn Bhd, established a Sukuk Ijarah Programme comprising Islamic Medium Term Notes ("IMTN") of up to RM1.5 billion in nominal value and issued RM162.79 million in nominal value of IMTNs ("Issue 1") with transaction cost amounting RM1.85 million.

On 27 February 2019, Al-Salām REIT obtained the Term Financing ("TF-i") of up to RM118 million CIMB to finance the Proposed Acquisition of 22 QSR Properties. On 19 March 2019, the Fund drawdown RM87.03 million to complete the acquisition of 17 properties under SPA 1 and SPA 2. The TF-i profit is payable over a period of 60 months from the date of first disbursement.

The Islamic financing facilities are secured against investment properties totaling RM1.15 billion (2018: RM1.06 billion). All Islamic financings are denominated in Ringgit Malaysia.

##### **B11. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

For the current quarter there was no off balance sheet financial instruments.

##### **B12. MATERIAL LITIGATION**

There was no material litigation as at the date of the current quarter.

##### **B13. SOFT COMMISSION RECEIVED**

There was no soft commission received by the Manager in the current quarter under review.

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Third Quarter Ended 30 September 2019

#### B. ADDITIONAL INFORMATION PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD'S MAIN MARKET LISTING REQUIREMENTS

##### B14. SUMMARY OF DPU, EPU AND NAV

|   | <b>Current<br/>Quarter ended<br/>30-09-2019</b> | <b>Immediate<br/>Preceding<br/>Quarter ended<br/>30-06-2019</b> |
|---|---|---|
| Number of units in issue (units)                | 580,000,000                                     | 580,000,000   |
| Earnings per unit (EPU) - sen                   | 1.37  | 1.44  |
| Net income distribution to unitholders (RM'000) | 6,322   | 6,844   |
| Distribution per unit (DPU) - sen               | 1.09  | 1.18  |
| Net Asset Value (NAV) - RM'000                  | 619,515   | 617,888   |
| NAV per unit (RM)                               | 1.0681  | 1.0653  |
| Market Value Per Unit (RM)                      | 0.8800  | 0.9250  |

##### B15. RESPONSIBILITY STATEMENT

This quarterly report has been prepared in accordance with MFRS 134 : Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of Al-Salām REIT as at 30 September 2019 and of its financial performance and cash flows for the period then ended.