

AL-SALĀM REIT ANNUAL REPORT 2017

KOMTAR JBCC
MENARA KOMTAR
@MART KEMPAS
MALAYSIAN COLLEGE OF
HOSPITALITY & MANAGEMENT
KFC RESTAURANTS
PIZZA HUT RESTAURANTS
PERLIS KEDAH PENANG PERAK
SELANGOR WIP KUALA LUMPUR
N. SEMBILAN MELAKA JOHOR
F&B INDUSTRIAL PREMISES
SELANGOR PENANG SABAH



AL-SALĀM REAL ESTATE INVESTMENT TRUST ANNUAL REPORT 2017

WWW.ALSALAMREIT.COM.MY

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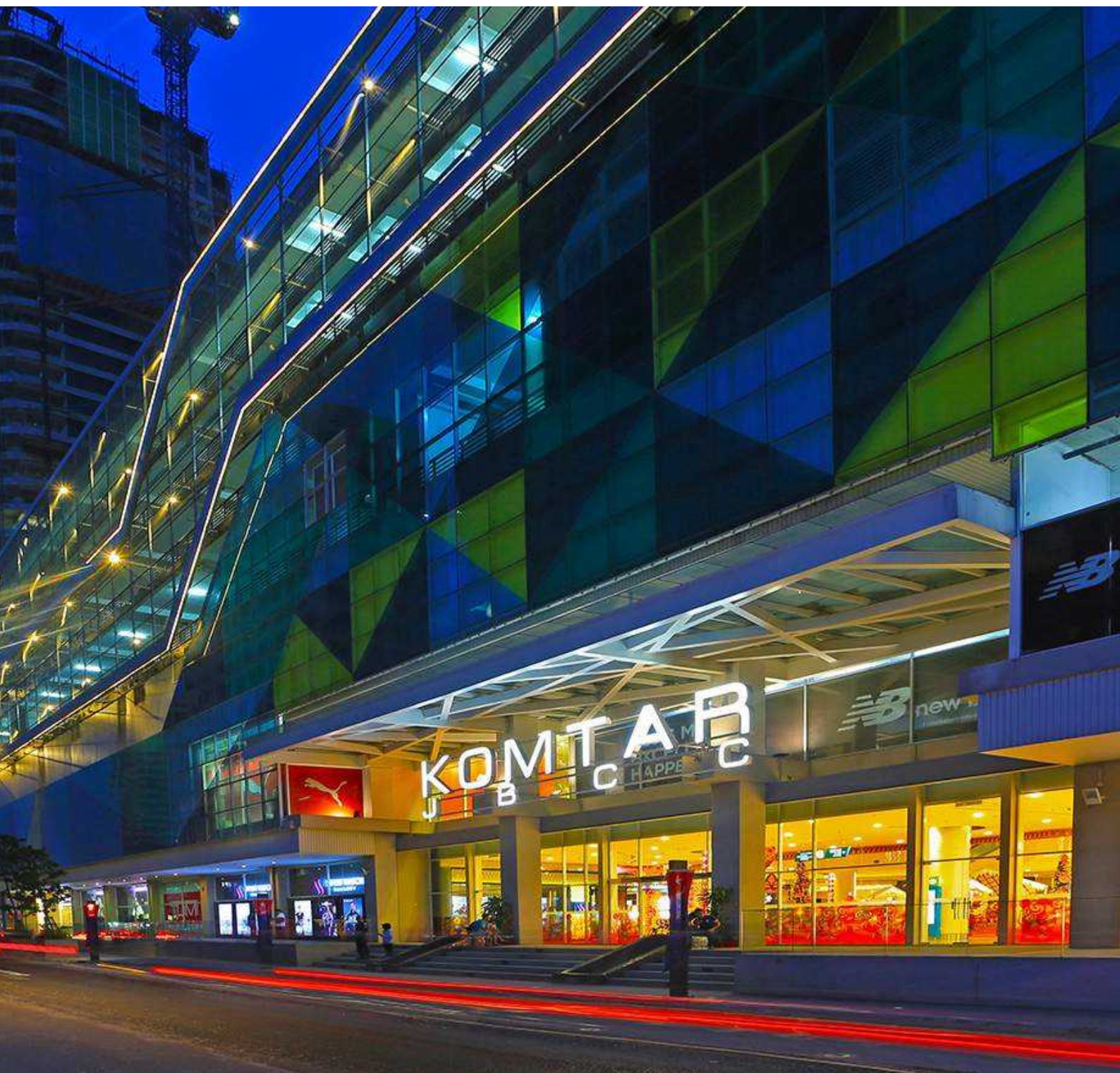
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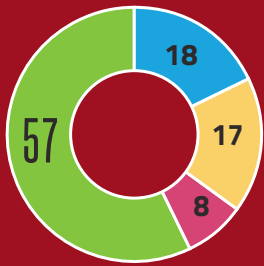


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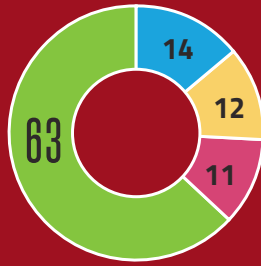
HIGHLIGHTS & INSIGHTS 2017

PROPERTY VALUE
%



● Retail

REVENUE
%

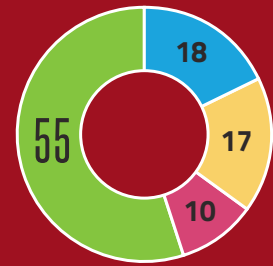


● Office

● F&B Restaurants

● F&B Non-Restaurants

NET PROPERTY INCOME
%



31
NUMBER OF PROPERTIES

RM **927.5** MILLION
PROPERTY VALUE

RM **56.9** MILLION
NET PROPERTY INCOME

6.0%
DISTRIBUTION YIELD

RM **80.0** MILLION
GROSS REVENUE

6.00 SEN
DISTRIBUTION PER UNIT

RM **580.0** MILLION
MARKET CAPITALISATION

1.9 MILLION SF
GROSS FLOOR AREA

POLICY, OBJECTIVE & STRATEGIES

POLICY

Al-Salām REIT is an Islamic REIT established with the principal investment policy of investing, directly and indirectly, in a diversified Shariah-compliant portfolio with income producing Real Estate which are used primarily for commercial retail, office and industrial purposes in Malaysia as well as real estate-related assets.

OBJECTIVE

The Manager's key objective is to provide Unitholders with regular and stable distributions, sustainable long term unit price and distributable income and capital growth of Al-Salām REIT. In the long run, through its key investment strategies, Al-Salām REIT maintains an optimum level of financing and equity capital structure.

STRATEGIES

ACTIVE ASSET MANAGEMENT STRATEGY

The Manager will seek to optimise the rental rates, occupancy rates and net lettable area of the subject Properties in order to improve the returns from Al-Salām REIT's property portfolio.

ACQUISITION GROWTH STRATEGY

The Manager will source for and acquire properties that fit within Al-Salām REIT's investment strategy to enhance returns to Unitholders and capitalise on opportunities for future income and NAV growth.

CAPITAL AND RISK MANAGEMENT STRATEGY

The Manager will endeavour to employ an appropriate mix of debt and equity in financing acquisitions, seek to manage financing and refinancing risk and to adopt an active financing rate management strategy to manage the risks associated with changes in financing rates.

CORPORATE PROFILE



AL-SALĀM REAL ESTATE INVESTMENT TRUST

is a Malaysia-based real estate investment trust (REIT). It is a diversified Islamic REIT in Malaysia with assets strategically located in Johor Bahru as well as in major towns throughout Malaysia. Al-Salām REIT was listed on the Main Market of Bursa Malaysia on 29 September 2015.

The principal activity of the trust is to invest in Shariah-compliant properties. The Fund's segments include Retail, Office, Food and Beverage (F&B), which consist of restaurant and non-restaurant outlets.

The Fund's property portfolio includes KOMTAR JBCC, Menara

KOMTAR, @Mart Kempas, 22 KFC and Pizza Hut Restaurant outlets, 5 non-restaurant properties and a College building.

The Fund is managed by Damansara REIT Managers Sdn Berhad (DRMSB or The Manager) a wholly-owned subsidiary of Johor Corporation (JCorp).

The Manager is a Capital Markets Services License holder, authorised to carry out fund management activities in relation to REIT.

As at 31 December 2017, the REIT asset size stood at RM927.5 million with a market capitalisation of RM580.0 million.

CORPORATE INFORMATION

MANAGER

DAMANSARA REIT MANAGERS SDN BERHAD (717704-V)

Registered Office:

Level 16, Menara KOMTAR
Johor Bahru City Centre
80000 Johor Bahru
Johor Darul Takzim
Tel : (+607) 226 7692 / 226 7476
Fax : (+607) 222 3044

Principal Place Of Business:

Unit 1-19-02, Level 19, Block 1
V SQUARE, Jalan Utara
46200 Bandar Petaling Jaya
Petaling Jaya
Selangor Darul Ehsan
Tel : (+603) 7932 1692 / 7932 3692
Fax : (+603) 7932 0692

TRUSTEE

AMANAHRAYA TRUSTEES BERHAD

(766894-T)

Tingkat 2, Wisma AmanahRaya II
No. 21, Jalan Melaka
50100 Kuala Lumpur
Tel : (+603) 2036 5000 / 2036 5129
Fax : (+603) 2072 0320
Email : art@arb.com.my
Website : www.artrustees.com.my

SHARIAH COMMITTEE MEMBER

1. Dato' (Dr) Haji Nooh bin Gadot
2. Professor Madya Dr. Ab.
Halim bin Muhammad
3. Professor Dr. Mohamad
@ Md Som bin Sujimon

PROPERTY MANAGER

EXASTRATA SOLUTIONS SDN. BHD

(926251-A)

E-5-4, 4th Floor, East Wing
Subang Square, Jalan SS 15/4G
47500 Subang Jaya
Selangor Darul Ehsan
Tel : (+603) 5632 7686
Fax : (+603) 5613 1686
Email : admin@exastrata.net
Website : www.exastrata.net

SERVICE PROVIDER

SYNERGY MALL MANAGEMENT SDN BHD

(905962-U)

Level 5, Menara KOMTAR
Johor Bahru City Centre
80000 Johor Bahru
Johor Darul Takzim
Tel : (+607) 267 9900
Fax : (+607) 267 9926

AUDITOR

DELOITTE PLT (LLP0010145-LCA)

Level 16, Menara LGB
1 Jalan Wan Kadir, Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel : (+603) 7610 8888
Fax : (+603) 7226 8986
Website : www.deloitte.com/my

REGISTRAR

JOHOR CORPORATION

Level 16, Menara KOMTAR
Johor Bahru City Centre
80000 Johor Bahru
Johor Darul Takzim
Tel : (+603) 219 5064
Fax : (+603) 223 3175

SOLICITOR

ABDUL RAMAN SAAD & ASSOCIATES

Advocates & Solicitors
C-2-1, Pacific Place Commercial Centre
Jalan PJU 1A/4, Ara Damansara
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : (+603) 7859 9229
Fax : (+603) 7734 5777
Email : arsaki@arsa.com.my
Website : www.arsa.com.my

INDEPENDENT PROPERTY VALUER

CHESTON INTERNATIONAL (KL) SDN BHD

(647245-W)

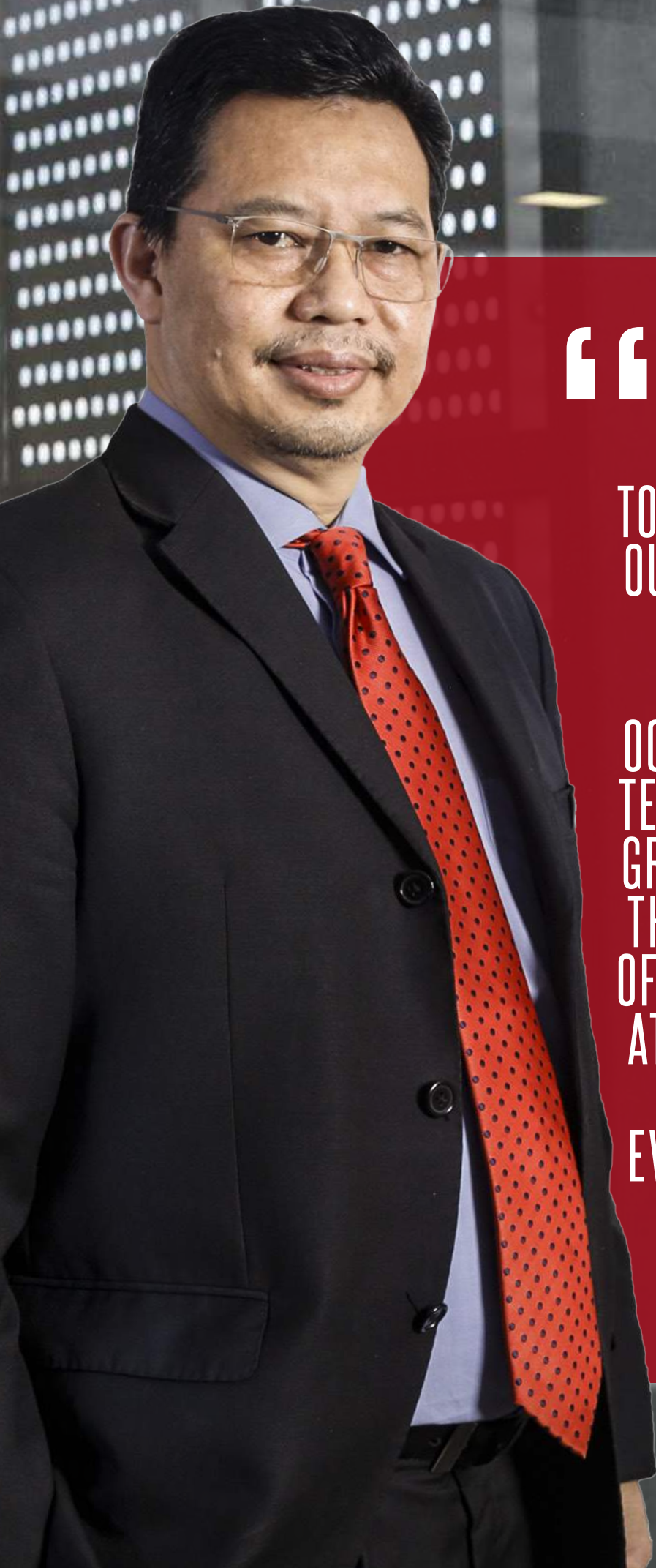
Suite 2A, 2nd Floor, Plaza Flamingo
No. 2, Tasik Ampang
Jalan Hulu Kelang
68000 Ampang
Selangor Darul Ehsan
Tel : (+603) 4251 2599
Fax : (+603) 4251 6599
Email : cikl@chestonint.com
Website : www.chestonint.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name: ALSREIT
Stock Code: 5269

WEBSITE

www.alsalamreit.com.my



“

WE HAVE WORKED TOWARDS STRENGTHENING OUR UNITHOLDERS' VALUE BY FOCUSING ON THE IMPROVEMENT IN THE OCCUPANCY OF THE MULTI TENANCY ASSETS AND THE GROWTH OF ASSET VALUE. THE CURRENT ASSET SIZE OF AL-SALAM REIT STANDS AT RM927.5 MILLION AND IS EXPECTED TO GROW EVEN FURTHER IN FY2018 BY RM270 MILLION.

”

LETTER TO STAKEHOLDERS

DEAR VALUED STAKEHOLDERS,

On behalf of the Board of Directors of the Manager (the Board), it gives me great pleasure to present Al-Salām REIT's (the Fund) Annual Report and audited financial statements for the financial year ended 31 December 2017.

In the reporting year, we have worked hard towards strengthening our Unitholders' value by our focus on the following 2 main areas:

(i) Improvement in the occupancy of the existing assets – occupancy rate for the multi tenancy assets particularly KOMTAR JBCC has improved steadily from 81% during the Initial Public Offering to 95% as at 31 December 2017 whilst Menara KOMTAR and @Mart Kempas have consistently maintaining its occupancy rate at above 90%, showing the resilience of the assets in the current challenging market.

(ii) Growth of asset value - our portfolio value has increased by RM5.4 million to RM927.5 million as at 31 December 2017. The asset size of Al-Salām REIT is expected to grow even further in FY2018 by RM270 million with the proposed acquisition of Mydin Hypermarket Gong Badak and 22 properties owned by QSR Group of Companies. The Manager is currently evaluating yield-accretive assets for future injection into the Fund that will add value to the stable of assets.

We are pleased to announce that Al-Salām REIT has distributed a total Distribution per Unit (DPU) of 6.00 sen per unit for FY2017. This translates into an annual distribution yield of 6.0% based on the closing unit price of RM1.00 as at 31 December 2017. The total payout of RM34.8 million represents approximately 97.9% of Al-Salām REIT's distributable income for the year.

Year 2017 marked our commitment towards the sustainability initiatives with the inclusion of Sustainability Statement in this Annual Report. Following the adoption of the Sustainability Framework, the Sustainability Steering Committee was formed at the Manager level whilst the composition of our property managers and service providers forming the Sustainability Working Committee. With the implementation of the sustainability practices at various levels, we are committed to strike a balance between financial performance, social engagement and environmental stewardship.

On this note, I would like to extend my heartfelt gratitude to the Board members for their valuable guidance and to the Shariah Committee for their wisdom towards the success of Al-Salām REIT. Our achievement will not be attainable without the support and commitment of employees of the Manager.

During the year, Dato' Mani a/l Usilappan had resigned from the Board. On a personal note as well as on behalf of the Board, I would like to extend my appreciation to Dato' Mani for his contribution to Al-Salām REIT. The Board wishes Dato' Mani well in his future undertakings. I would also like to extend my heartiest welcome to Dato' Dr Rahah binti Ismail as the new Independent Non-Executive Director effective from 5 October 2017.

I would like to extend my appreciation to Damansara Assets Sdn Bhd and QSR Group of Companies for being the supportive business partners since the establishment of Al-Salām REIT. My sincerest gratitude also goes to our valued stakeholders – unitholders, trustee, financiers, business partners and relevant authorities for the continuous support and confidence in Al-Salām REIT.

DATO' KAMARUZZAMAN BIN ABU KASSIM
CHAIRMAN

SALIENT FEATURES

**Al-Salām
Real Estate
Investment Trust**
NAME OF FUND

**Main Market
of Bursa
Malaysia
Securities
Berhad**
LISTING

**Income
& Growth**
TYPE OF FUND

**29
September
2015**
LISTING DATE

**Diversified
Real Estate
Investment
Trust**
CATEGORY OF FUND

**At Least
90%**
DISTRIBUTION POLICY

**ALSREIT
(5269)**
STOCK NAME AND CODE

**31
December**
FINANCIAL YEAR END

FINANCIAL PERFORMANCE

	2017	2016	2015*
GROSS REVENUE RM'000	80,033	76,135	20,665
NET PROPERTY INCOME RM'000	56,887	56,913	15,707
INCOME BEFORE TAX RM'000	40,606	46,667	14,767
NET INCOME AFTER TAX RM'000	40,606	46,667	14,767
EARNINGS PER UNIT sen	7.00	8.05	2.55
INVESTMENT PROPERTIES RM'000	927,470	922,090	911,460
TOTAL ASSET VALUE RM'000	988,756	978,182	949,686
NET ASSET VALUE RM'000	616,296	611,940	587,312
NAV PER UNIT - before distribution (RM)	1.0626	1.0551	1.0126
NAV PER UNIT - after distribution (RM)	1.0311	1.0211	1.0006
MARKET CAPITALISATION RM'000	580,000	620,600	539,400
DISTRIBUTION PER UNIT sen	6.00	6.00	1.20
ANNUAL DISTRIBUTION YIELD %	6.0	5.6	5.0

*The financial of 2015 reflects primarily the performance of the Fund from the listing date of 29 September 2015

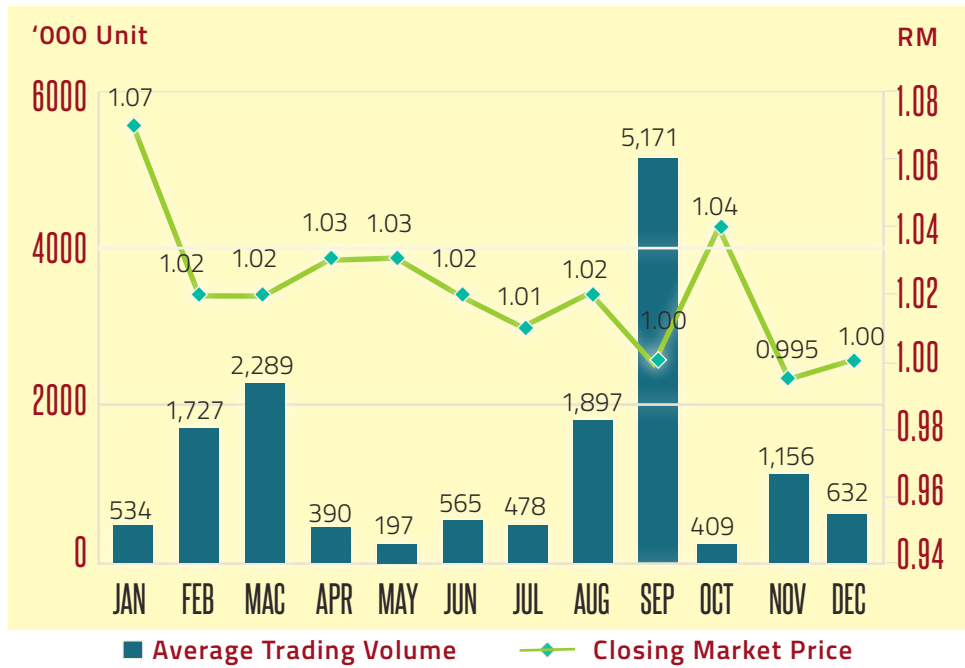
TRADING PERFORMANCE

Month	Lowest Traded Price (RM) Per Unit	Highest Traded Price (RM) Per Unit	Closing Market Price (RM) Per Unit	Average Trading Volume ('000 units)	Market Capitalisation (RM '000)
January	1.03	1.07	1.07	534	620,600
February	1.02	1.07	1.02	1,727	591,600
March	1.02	1.04	1.02	2,289	591,600
April	1.01	1.05	1.03	390	597,400
May	1.02	1.04	1.03	197	597,400
June	1.01	1.04	1.02	565	591,600
July	1.01	1.05	1.01	478	585,800
August	1.00	1.05	1.02	1,879	591,600
September	1.04	0.99	1.00	5,171	580,000
October	0.995	1.04	1.04	409	603,200
November	0.99	1.04	0.995	1,156	527,100
December	0.97	1.00	1.00	632	580,000

MARKET CAPITALISATION AND UNIT IN CIRCULATION SINCE INCEPTION

Year	Market Capitalisation (RM Million)	Unit in Circulation (Million)
2015	539	580
2016	621	580
2017	580	580

MONTHLY TRADING PERFORMANCE



CLOSING UNIT PRICE AND NAV PER UNIT

Year	Closing Unit Price (RM)	NAV per Unit (RM)
2015	0.93	1.0126
2016	1.07	1.0551
2017	1.00	1.0626

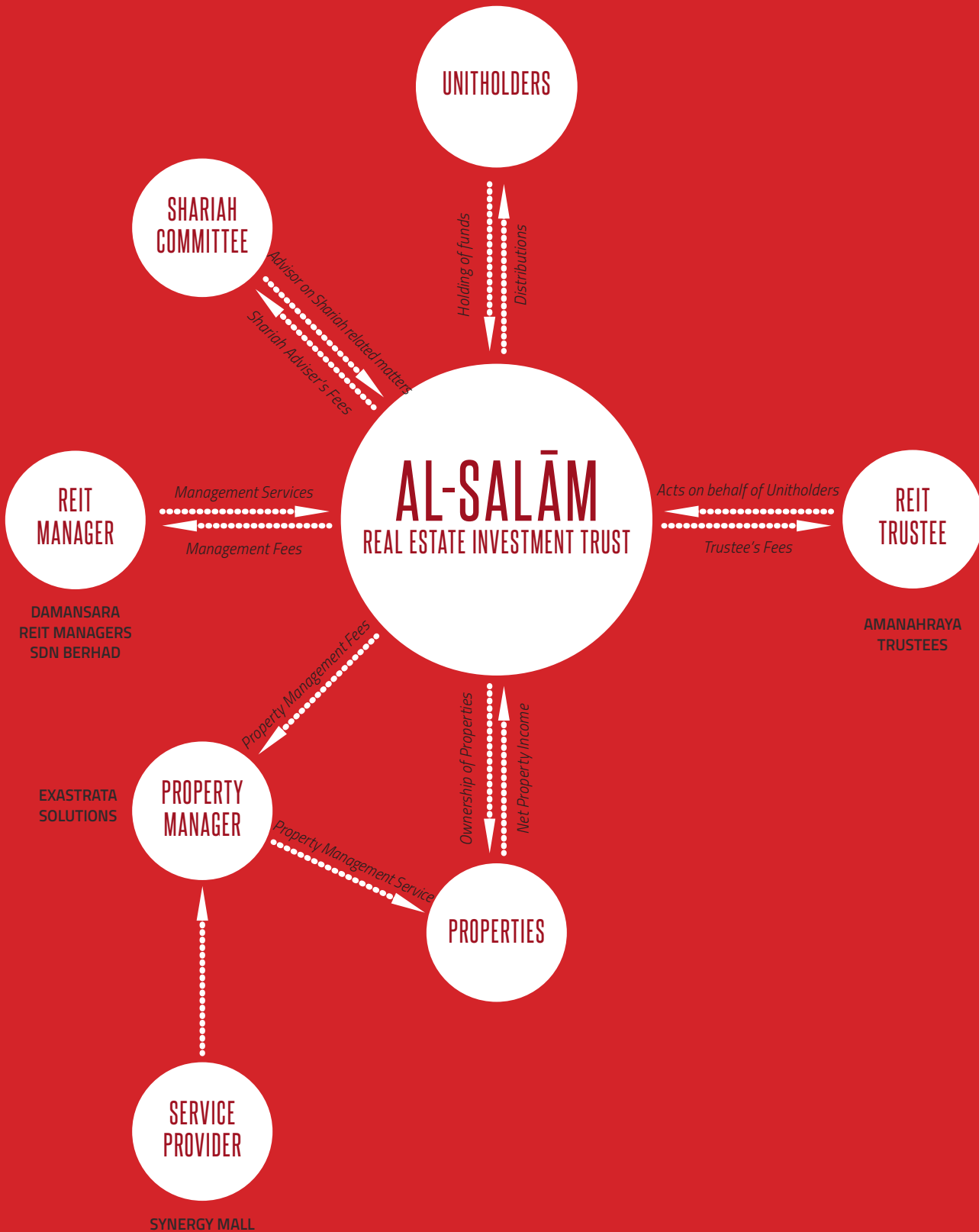




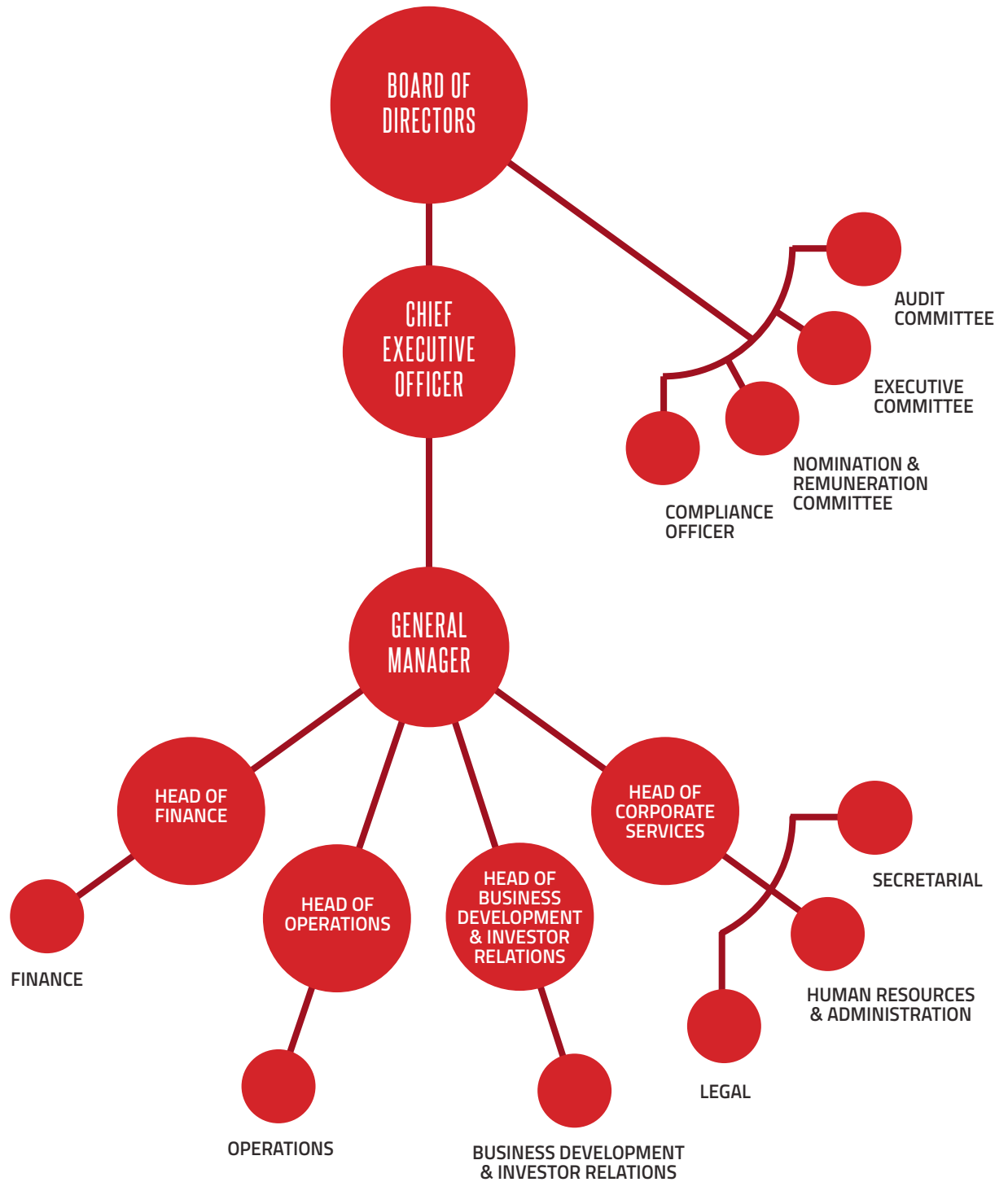
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TRUST STRUCTURE



ORGANISATION STRUCTURE



THE BOARD OF DIRECTORS



DATO' KAMARUZZAMAN BIN ABU KASSIM

Non-Independent Non-Executive Chairman

WAN AZMAN BIN ISMAIL

Chief Executive Officer & Non-Independent Executive Director

AUDIT COMMITTEE

1. Zainah binti Mustafa - Chairman
2. Lukman bin Hj. Abu Bakar
3. Dr Mohd Hafetz bin Ahmad

EXECUTIVE COMMITTEE

1. Lukman bin Hj. Abu Bakar - Chairman
2. Zainah binti Mustafa
3. Dr Mohd Hafetz bin Ahmad

NOMINATION AND REMUNERATION COMMITTEE

1. Dato' Kamaruzzaman bin Abu Kassim - Chairman
2. Zainah binti Mustafa
3. Dr Mohd Hafetz bin Ahmad



COMPANY SECRETARIES

Jamalludin bin Kalam (LS0002710)

Hana binti Ab Rahim @Ali (MAICSA 70643336)



ZAINAH BINTI MUSTAFA

Independent Non-Executive Director



DR MOHD HAFETZ BIN AHMAD

Independent Non-Executive Director



DATO' DR RAHAH BINTI ISMAIL

Independent Non-Executive Director



LUKMAN BIN HJ. ABU BAKAR

Non-Independent
Non-Executive Director



YUSAINI BIN HJ. SIDEK

Non-Independent
Non-Executive Director



DATO' AMIRUDDIN BIN ABDUL SATAR

Non-Independent
Non-Executive Director



MOHD YUSOF BIN AHMAD

Non-Independent
Non-Executive Director

BOARD OF DIRECTORS PROFILE

DATO' KAMARUZZAMAN BIN ABU KASSIM **MALAYSIAN, MALE, AGED 54**

Dato' Kamaruzzaman bin Abu Kassim is the Chairman and Non-Independent Non-Executive Director of the Manager. He was appointed to the Board as Director on 12 January 2007 and as Chairman on 12 January 2011. He is currently the President and Chief Executive of JCorp with effect from 1 December 2010.

He graduated with a Bachelor of Commerce (Accountancy) from University of Wollongong, New South Wales, Australia in 1987.

He embarked his career as an Audit Assistant with Messrs K.E Chan & Associates in May 1988 and later joined Messrs Pricewaterhouse Coopers (formerly known as Messrs Coopers & Lybrand) in 1989. In December 1992, he joined Perbadanan Kemajuan Ekonomi Negeri Johor (currently known as Johor Corporation) as a Deputy Manager in the Corporate Finance Department and was later promoted to General Manager in 1999. He then served as the Chief Operating Officer of JCorp beginning 1 August 2006 and was later appointed as Senior Vice President, Corporate Services & Finance of JCorp beginning 1 January 2009 and Acting President & Chief Executive of JCorp beginning 29 July 2010.

He is also the Chairman of KPJ Healthcare Berhad, and E.A. Technique (M) Berhad, companies under JCorp Group listed on the Main Market of Bursa Malaysia Securities Berhad. Further, he is also the Chairman and/or Director of several companies within the JCorp Group, including Kulim (Malaysia) Berhad, Johor Land Berhad (JLand), QSR Brands (M) Holdings Berhad (QSR), Waqaf An-Nur Corporation Berhad, an Islamic

endowment institution which spearheads JCorp's corporate social responsibility programmes and Yayasan Johor Corporation, a foundation that manages and administer funds for education and charitable purposes.

Other than as disclosed, he does not have any family relationship with any directors and/or major Unitholders of Al-Salām REIT. He has no personal interest in any business arrangement involving Al-Salām REIT and has not been convicted for any offences, other than traffic offences (if any), within the past 10 years.

He attended 4 Board Meetings held during the financial year ended 31 December 2017.

WAN AZMAN BIN ISMAIL **MALAYSIAN, MALE, AGED 54**

Wan Azman bin Ismail is the Executive Director cum Chief Executive Officer of the Manager. He was appointed to the Board as Non-Independent Non-Executive Director on 15 February 2017 and subsequently assumed his current role since 27 March 2017.

He graduated with a BA (Hons) in Accounting and Financial Analysis, University of Newcastle upon Tyne, United Kingdom in 1988. He started his career under the Corporate Finance Division of Perwira Affin Merchant Bank Berhad from September 1990 to March 1996. He later joined the Corporate Finance Division of BSN Merchant Bank Berhad on March 1999 to July 1999.

He joined JCorp Group in September 1999 to December 2000 and later joined Damansara Realty Berhad (DBhd) in January 2001. He was appointed as the Managing Director of DBhd on 1 February 2011 and later redesignated as Director. Starting June 2014, he served JCorp as Vice President Strategic Development Department prior to joining the Manager. He has obtained a Capital Markets Services Representatives Licence for REIT as a Licensed Director to carry on regulated activities specified under the CMSA.

Other than as disclosed, he does not have any family relationship with any director and/ or major Unitholders of Al-Salām REIT. He has no personal interest in any business arrangement involving Al-Salām REIT. He has not been convicted for any offences, other than traffic offences (if any), within the past 10 years.

He attended all 4 Board Meetings held during the period of his appointment date to 31 December 2017.

ZAINAH BINTI MUSTAFA **MALAYSIAN, FEMALE, AGED 63**

Zainah binti Mustafa is the Independent Non-Executive Director of the Manager. She was appointed to the Board and as the Chairman of the Manager's Audit Committee on 16 February 2007.

She is currently a Fellow Member of the Association of Certified Chartered Accountants (ACCA). She joined JCorp in October 1978 and has held various roles including as its Group Chief Financial Officer before retiring on 31 October 2002. She started her career as an Assistant

Senior Auditor in Perbadanan Nasional Berhad in 1997 after graduating from Institut Teknologi MARA (presently Universiti Teknologi MARA).

She also holds directorship in several public-listed companies, namely, KPJ Healthcare Berhad and DBhd.

Other than as disclosed, she does not have any family relationship with any director and/or major Unitholders of Al-Salām REIT. She has no personal interest in any business arrangement involving Al-Salām REIT. She has not been convicted for any offences, other than traffic offences (if any), within the past 10 years.

She attended all 5 Board Meetings held during the financial year ended 31 December 2017.

DR. MOHD HAFETZ BIN AHMAD **MALAYSIAN, MALE, AGED 68**

Dr. Mohd Hafetz bin Ahmad is the Independent Non-Executive Director of the Manager. He was appointed to the Board on 22 June 2006.

He obtained his Medical Degree from University Malaya in 1975. He did his housemanship in Hospital Sultanah Aminah, Johor Bahru, Johor and continued as Medical Officer in the same hospital. In 1978, he did his specialist training in Obstetrics and Gynaecology at the University Hospital, Kuala Lumpur. Thereafter, he served as a Trainee Lecturer and then as a Lecturer at the Department of Obstetrics and Gynaecology, University Malaya.

He joined Johor Specialist Hospital (JSH) in 1983 as a Consultant Obstetrician and Gynaecologist. Besides his clinical practice, he has been involved in various aspects of hospital management and clinical governance in his capacity as Chairman, JSH Consultant's Advisory Committee (1990-1994) and Medical Director (1994 - 2014).

He was the President of the Obstetrical and Gynaecological Society of Malaysia (OGSM) from 2004 to 2005 and he also served as a council member of the OGSM from 2003 to 2006. He is a member of the Malaysian Medical Association, Malaysian Menopause Society and Persatuan Perubatan Islam Malaysia. In 2011, he was awarded Johan Mangku Negara (JMN) by DYMM Yang Di Pertuan Agong.

He presently sits on the Board of Directors of Kluang Utama Specialist Hospital and is a member of KPJ Group Medical Advisory Committee. Previously, he was an Independent Non-Executive Director of JLand, Sindora Berhad, Waqaf AnNur Corporation and was a Director of KPJ Johor Specialist Hospital, KPJ Puteri Specialist Hospital and KPJ University College. Dr. Mohd Hafetz has no directorships in other public companies in Malaysia.

Other than as disclosed, he does not have any family relationship with any director and/ or major Unitholders of Al-Salām REIT. He has no personal interest in any business arrangement involving Al-Salām REIT. He has not been convicted for any offences, other than traffic offences (if any), within the past 10 years.

He attended all 5 Board Meetings held during the financial year ended 31 December 2017.

DATO' DR. RAHAH BINTI ISMAIL **MALAYSIAN, FEMALE, AGED 61**

Dato' Dr. Rahah binti Ismail is the Independent Non-Executive Director of the Manager. She was appointed to the Board on 5 October 2017.

She is a valuer both by training and profession. She holds a doctoral degree in Housing Development and Finance, a masters degree in Urban Land Appraisal and a bachelor degree in Surveying (Property Management).

She had previously served the Department of Valuation and Property Services, Ministry of Finance Malaysia, holding several key positions including Deputy Director General of Valuation (Technical), Director of Valuation and Property Services in the states of Johor and Selangor, Director of Inspen and Head of Research at Inspen and retired from the service on August 2017 as the Director General of Valuation. Currently she is an independent property consultant.

She had also served as the President of the Board of Valuers, Appraisers and Estate Agents. Prior to her appointment as the President of the Board of Valuers, Appraisers and Estate Agents, she is the Chair for the Valuation Practice Committee and the Test of Professional Competency Committee of the Board.

She is also involved in professional bodies like the Royal Institution of Surveyors Malaysia, Royal institution of Chartered Surveyor where her contributions led to the recognition and award as the Fellow of the Royal

Institution of Surveyors Malaysia and Fellow of the Royal Institute of Chartered Surveyors. She has also served ASEAN Valuers Association as the Vice President and President of the AVA Malaysia. Currently she is in the AVA governing Council.

She is a keen researcher and her main area of interest is the area of property development, property market and housing and has presented locally as well as internationally.

Other than as disclosed, she does not have any family relationship with any director and/or major Unitholders of Al-Salām REIT. She has no personal interest in any business arrangement involving Al-Salām REIT. She has not been convicted for any offences, other than traffic offences (if any), within the past 10 years.

She attended 1 Board Meeting held during the period of her appointment date to 31 December 2017.

LUKMAN BIN HJ. ABU BAKAR **MALAYSIAN, MALE, AGED 59**

Lukman bin Hj. Abu Bakar, is the Non-Independent Non-Executive Director of the Manager. He was appointed to the Board on 12 January 2007 and as a member of the Audit Committee on 18 August 2010.

He graduated with a Bachelor of Urban and Regional Planning (Hons) from the University Teknologi Malaysia in 1982. He also holds a Post Graduate Diploma (Housing, Building and Planning) from Institute for Housing Studies, Rotterdam, Holland in 1985.

Upon graduation, he joined JCorp as a Town Planning Officer. He had held various positions in the JCorp Group before he was promoted as the Deputy Manager of JCorp in 1989. In 1992, he was appointed as the Manager cum Deputy Secretary of Pasir Gudang Local Authority (now known as Pasir Gudang Municipal Council). In 1993, he joined Sindora Berhad as the Deputy General Manager and was promoted as the General Manager in 1995. On 1 January 2006, he was appointed as the Senior General Manager of JCorp. On 1 July 2008, the Pasir Gudang Local Authority was upgraded as a full-fledged Municipal Council. Concurrently, he was appointed as its first President and served until 31 August 2009 when the Council was handed over to the administration of the State Government of Johor. Thereafter, he was promoted as a Senior Vice President in JCorp on 1 September 2009.

He presently is the Managing Director of JLand since 1 January 2010 and the Senior Vice President/Chief Executive of Property Division of JCorp since 1 January 2011. He is also Chairman and director of a few other companies within the JCorp Group.

Other than as disclosed, he does not have any family relationship with any director and/or major Unitholders of Al-Salām REIT. He has no personal interest in any business arrangement involving Al-Salām REIT. He has not been convicted for any offences, other than traffic offences (if any), within the past 10 years.

He attended all 5 Board Meetings held during the financial year ended 31 December 2017.

YUSAINI BIN HJ. SIDEK
MALAYSIAN, MALE, AGED 50

Yusaini bin Hj. Sidek is the Non-Independent Non-Executive Director of the Manager. He was appointed to the Board as an Executive Director in 2009 and subsequently assumed his role as Managing Director of the Manager on February 2013 until 19 April 2017.

Prior thereto, he had served as the Chief Executive Officer of the Manager since 2006. He is also presently the Executive Director of Damansara Assets Sdn Bhd (DASB) having been appointed on 1 December 2012 and the Vice President, Commercial Property, Property Division of JCorp since May 2015.

He graduated with a Master of Business Administration, with specialisation in International Business from University of Southern Queensland, Australia in 2010. He also holds a Bachelor of Business Administration from Universiti Kebangsaan Malaysia in 1999 and a Diploma in Valuation from Universiti Teknologi Malaysia in 1989.

He has approximately 27 years of experience in the Malaysian property industry, particularly in property management and valuations. He gained professional experience via attachment with numerous property-related companies and/or entities in Malaysia, namely, Colliers, Jordan Lee & Jaafar Sdn Bhd, the Valuation and Property Services Department of the Ministry of Finance, Bank Industri Malaysia Berhad, FIMA Corporation Berhad, CSM Corporation Berhad and Empire Tower (M) Sdn Bhd, wholly-

owned subsidiary of Low Yatt Group of Companies. During his tenure with the aforementioned companies, amongst the buildings under his supervision are Bank Industri Building, Airtel Complex, Plaza Damansara, Jaya Shopping Centre, Menara CSM, Empire Tower and City Square Complex. He has vast experience in building management, primarily in the areas of tenancy management, marketing as well as promotion, preparation of business plan for buildings and maintenance management.

In 2001, he joined Harta Consult Sdn Bhd, a wholly owned subsidiary of JCorp as a Senior Manager until 2005 managing the properties under DASB in Kuala Lumpur prior to his appointment at DRMSB. Yusaini has obtained a Capital Markets Services Representatives' Licence for REIT as a Licensed Director to carry on regulated activities specified under the CMSA. In January 2015, he was appointed as the Vice Chairman for year 2015 to 2016 of the Malaysian REIT Managers Association (MRMA), an organisation that act as a platform for the Malaysian REIT managers to engage with the regulatory bodies in proposing changes to the industry to promote its growth.

Other than as disclosed, he does not have any family relationship with any director and/or major Unitholders of Al-Salām REIT. He has no personal interest in any business arrangement involving Al-Salām REIT. He has not been convicted for any offences, other than traffic offences (if any), within the past 10 years.

He attended all 5 Board Meetings held during the financial year ended 31 December 2017.

DATO' AMIRUDDIN BIN ABDUL SATAR
MALAYSIAN, MALE, AGED 54

Dato' Amiruddin bin Abdul Satar is the Non-Independent Non-Executive Director of the Manager. He was appointed to the Board on 21 January 2016.

He is the President & Managing Director of KPJ Healthcare Berhad since 1 January 2013. An alumnus of the Henley Business School, University of Reading, United Kingdom where he obtained his Masters in Business Administration (MBA) in 2010. He is also the Malaysia Advisory Committee Member of the Association of Chartered Certified Accountants (ACCA).

He gained significant experience in finance and management through his capacity as the Accountant and Finance Manager of several large and reputable organisations in the country.

He contributes actively in the development of the Malaysian healthcare sector through his involvement with the Association of Private Hospitals of Malaysia (APHM) as the Vice President.

Other than as disclosed, he does not have any family relationship with any directors and/or major Unitholders of Al-Salām REIT. He has no personal interest in any business arrangements involving Al-Salām REIT and has not been convicted for any offences, other than traffic offences (if any), within the past 10 years.

He attended all 5 Board Meetings held during the financial year ended 31 December 2017.

MOHD YUSOF BIN AHMAD
MALAYSIAN, MALE, AGED 50

Mohd Yusof bin Ahmad is the Non-Independent Non-Executive Director of the Manager. He was appointed to the Board on 4 February 2014.

He graduated with a Bachelor in Surveying (Property Management) from Universiti Teknologi Malaysia in 1992. Upon graduation, he gained experience as a Valuation Executive in Sailan & Co and KGV Lambert Smith Hampton. In 1993, he joined JLand as an Executive and later served as Valuation Executive at the Planning Department in 1995.

Since 2000, he had served several departments in JLand which includes Property Management, Marketing Department, Corporate Office and Planning Department. He is currently the General Manager of Special Projects (JB Urban Redevelopment) of JLand since his appointment on 1 June 2015. He is also the General Manager, Special Projects (Property Division) of JCorp since 1 May 2015 and also special assistant to JCorp's President and Chief Executive Officer in Yayasan Sultan Ibrahim Johor. He presently sits on the board of various companies within the JCorp Group.

Other than as disclosed, he does not have any family relationship with any director and/or major unitholders of Al-Salām REIT. He has no personal interest in any business arrangement involving Al-Salām REIT. He has not been convicted for any offences, other than traffic offences (if any), within the past 10 years.

He attended all 5 Board Meetings held during the financial year ended 31 December 2017.

THE SHARIAH COMMITTEE



*From left:
Professor Madya
Dr. Ab. Halim bin
Muhammad, Dato'
(Dr) Haji Nooh bin
Gadot (Chairman),
Professor Dr.
Mohamad @ Md.
Som bin Sujimon*

DATO' (DR) HAJI NOOH BIN GADOT **MALAYSIAN, MALE, AGED 72**

Dato' (Dr) Haji Nooh bin Gadot, was appointed as the Chairman and Member of Shariah Committee of Al-Salām REIT since 9 July 2015.

He graduated from the Al-Azhar University in Egypt with a Bachelor in Islamic Law and Shariah Islamiah. He obtained his tertiary Islamic education from Maahad Institution in Johor majoring in As-Syahadah Al-Thanawiyah, Arabic Secondary School, Segamat Madrasah Al-Khairiyah Al-Arabiyyah – AsSyahadah Al-Ibtidaiyyah, Segamat and Islamic Primary School State of Johor Special Class. On 22 April 2012,

he obtained the Ijazah Kehormat Sarjana Sastera (Master of Art) from Asia e University.

Currently, he is the Islamic Advisor to DYMM Sultan Johor and Advisor to Johor State Islamic Council. He is a member of the Johor Royal Council and Islamic Religious Council (Johor). He retired as Mufti of Johor in November 2002 and continued his service until 13 November 2008 and now remains as the Advisor to the Islamic Religious Council (Johor). His vast experience in Islamic practise and jurisprudence, juristic methodology, hadith and its sciences and spirituality was gained throughout his services as Acting Kadi, Syarie Lawyer Islamic Affair Officer Religious Department (Prime Minister Department), Acting

Assistant Examination and Registrar Religious School of Johor State and Religious Teacher of Johor State. He also presently sits on the board and member of various companies within the JCorp Group as well as other companies, council, institutions and organization in Malaysia.

He is currently Director of Universiti Tun Hussein Onn (UTHM), Chairman of The Teaching and Advancement of Islam Studies, a member of various councils including the Johor Royal Congregational Council, Johor Islamic Council's Finance and Investment as well as Planning and Development units. He is also a member of various committees within the Johor Islamic Council including Zakat, Wakaf, Baitulmal, Teaching Certification and Education.

**PROFESSOR MADYA DR. AB. HALIM
BIN MUHAMMAD
MALAYSIAN, MALE, AGED 73**

Professor Madya Dr. Ab. Halim bin Muhammad, was appointed on 9 July 2015 as a Shariah Committee Member of Al-Salām REIT.

He obtained his Bachelor in Shariah from Al-Azhar University in Egypt in 1972 and subsequently obtained

his PhD in Shariah from St. Andrews, University of Scotland in 1977.

He began his career with Universiti Kebangsaan Malaysia as the Head of Department of Quran and Sunnah, Faculty of Islamic Studies and Lecturer at Faculty of Law Universiti Kebangsaan Malaysia.

He has served as Shariah Advisor and Shariah committee member at several corporate organisation such

as Tabung Haji, Bank Negara Malaysia, Dewan Bahasa dan Pustaka, Takaful Nasional and Terengganu Trust Fund as well as financial institutions namely, Bank Muamalat Malaysia Berhad, Bank Kerjasama Rakyat Malaysia Berhad, RHB Bank Berhad and Bank Pembangunan Malaysia Berhad.

At present, he is the Shariah committee member of Bank Muamalat Malaysia Berhad, Angkatan Koperasi Kebangsaan Malaysia Berhad and Terengganu Trust Fund.

**PROFESSOR DR. MOHAMAD
@ MD. SOM BIN SUJIMON
MALAYSIAN, MALE, AGED 64**

Professor Dr. Mohamad @ Md. Som bin Sujimon, was appointed on 9 July 2015 as a Shariah Committee Member of Al-Salām REIT.

He graduated from University of Al-Azhar, Egypt with a Bachelor of Honours from the Faculty of Islamic Jurisprudence and Law in 1979. He obtained his Master of Arts in Teaching from Mississippi State University, United States of America in 1982 and completed PhD in Islamic and Middle Eastern Studies at the Faculty of Arts in University of Edinburgh, Scotland, United Kingdom in 1997.

He began his career as a Lecturer at the Faculty of Arts and Social Science, Universiti Malaya from 1983-1986 and later migrated to Brunei Darussalam whereby he was part of the team which founded 3 institutions, namely Universiti Brunei Darussalam (UBD), Universiti Islam Sultan Syarif Ali (UNISSA) and Kolej Universiti Perguruan Ugama Seri Begawan.

In Brunei Darussalam, he was an Associate Professor at the Faculty of Shariah and Law, UNISSA as well as at the UBD and Institute of Islamic Studies Sultan Haji Omar Ali Saifuddien. He was also an Associate Professor at the International Islamic University Malaysia from 1999 to 2005.

He was a Senior Researcher at the International Shariah Research Academy and is currently the Chief Executive Officer of Kolej Pengajian Islam Johor and member of the Shariah committee for HSBC Amanah Takaful and also member of Shariah Committee for Hong Leong Islamic Bank Berhad. In December 2013, he was appointed as the Chairman for the Shariah Board of Brisbane Islamic Investment Fund, an Australian regulated Islamic investment fund and Islamic finance business custodians which deals with manufacturing and services, energy and resources, real estate, solar and clean energy and live stocks. Recently he was an Associate Research Fellow at International Research Centre of Islamic Economics and Finance (IRCIEF), Kolej Universiti Islam Antarabangsa Selangor (KUIS).

MANAGEMENT PROFILE

WAN AZMAN BIN ISMAIL **MALAYSIAN, MALE, AGED 54**

Wan Azman bin Ismail is currently the Executive Director of the Manager. His profile is detailed in the Board of Directors' profile.

SHAHRIK ZAIRIS BIN RAMLI **MALAYSIAN, MALE, AGED 48**

Shahril Zairis bin Ramli, is currently the General Manager of the Manager. He joined the Manager in July 2012. He started his career with BSN Merchant Bank Berhad in 1997. In 1999, he joined DBhd and subsequently, in 2008 he joined JCorp and was later assigned to a few companies within the JCorp Group. He is the holder of Capital Markets Services Representatives' Licence for REIT from the SC as a Licensed Representative. He has a Bachelor of Arts in Banking and Finance from Bangor University and a Diploma in Investment Analysis from Universiti Teknologi Mara.

Other than as disclosed, he does not hold directorships in other public companies in Malaysia. He does not have any family relationship with any Directors and/or major Unitholders of Al-Salām REIT nor does he have any conflict of interests with Al-Salām REIT. He has not been convicted for any offences, other than traffic offences (if any), within the past 5 years.

ROZIAH BINTI ABU BAKAR **MALAYSIAN, FEMALE, AGED 50**

Roziyah Abu Bakar, is currently the Head of Compliance and Risk Management of the Manager. She completed her Masters in Business Administration, Henley Business School, University of Reading in 2008 and has a Degree in International Relations, Faculty of Political Science from The University of British Columbia, Canada. She started her career at JCorp in 1995 and has various experiences in the areas of corporate planning, business development and education. She obtained approval from the SC as the Compliance Officer of the Manager in June 2017.

Other than as disclosed, she does not hold directorships in other public companies in Malaysia. She does not have any family relationship with any Directors and/or major Unitholders of Al-Salām REIT nor does she have any conflict of interests with Al-Salām REIT. She has not been convicted for any offences, other than traffic offences (if any), within the past 5 years.

SUHAIMI BIN SAAD **MALAYSIAN, MALE, AGED 48**

Suhaimi bin Saad, is currently the Head of Operations of the Manager. He joined the Manager in June 2006. He graduated with a Bachelor of Arts (Hons) in Urban Studies and Planning from University of Malaya in 1996. He has numerous experiences in property management and planning and has been working in the property management sector since 1997. In 2001, he joined Damansara Harta Management Sdn Bhd as Property Executive and subsequently, in 2004, he joined Damansara Town Centre Sdn Bhd, which is involved in the management of Pusat Bandar Damansara, Kuala Lumpur. He then joined the Manager in June 2006 primarily to oversee asset management, leasing activities and the implementation of organic growth strategies to enhance the performance of Al-Salām REIT's portfolio. He has obtained a Capital Markets Services Representatives' License for REIT from the SC as a Licensed Representative.

Other than as disclosed, he does not hold directorships in other public companies in Malaysia. He does not have any family relationship with any Directors and/or major Unitholders of Al-Salām REIT nor does he have any conflict of interests with Al-Salām REIT. He has not been convicted for any offences, other than traffic offences (if any), within the past 5 years.

HAMIM BIN MOHAMAD
MALAYSIAN, MALE, AGED 41

Hamim bin Mohamad, is currently the Head of Corporate Services. He joined the Manager in July 2014. He graduated with a Bachelor's Degree in Engineering from Universiti Kebangsaan Malaysia in 1999. He started his career with Maybank Securities Sdn Bhd in 2000 before joining DBhd in 2002. During his 12 years employment with DBhd, he has been exposed to and gained experience in various legal function including litigation management, conveyance, risk management as well as corporate legal. He was the Compliance Officer of the Manager from September 2014 until June 2017.

Other than as disclosed, he does not hold directorships in other public companies in Malaysia. He does not have any family relationship with any Directors and/or major Unitholders of Al-Salām REIT nor does he have any conflict of interests with Al-Salām REIT. He has not been convicted for any offences, other than traffic offences (if any), within the past 5 years.

SAHRIN BIN MUNIR
MALAYSIAN, MALE, AGED 36

Sahrin bin Munir, is currently the Head of Business Development and Investor Relations of the Manager. He joined the Manager in May 2013. He graduated with a Bachelor of Management (Technology) from Universiti Teknologi Malaysia in 2004. He started his career with DBhd in 2006. In 2008, he joined a venture capital management company, Pembangunan Ekuiti Sdn Bhd as Investment Analyst overseeing small and medium enterprises from various industries involved in, amongst others, oil and gas, manufacturing, services and trading. He then joined FELDA as Investment Officer in 2011. He is primarily in charge to develop investment strategies and grow the Fund's portfolio through strategic acquisitions. He is also responsible to implement effective communication strategies with all stakeholders and maintaining continuous engagement with the investment community.

Other than as disclosed, he does not hold directorships in other public companies in Malaysia. He does not have any family relationship with any Directors and/or major Unitholders of Al-Salām REIT nor does he have any conflict of interests with Al-Salām REIT. He has not been convicted for any offences, other than traffic offences (if any), within the past 5 years.

MUHAMMAD IKHWAN BIN MUHAMMAD HANAPI
MALAYSIAN, MALE, AGED 32

Muhammad Ikhwan bin Muhammad Hanapi, is currently the Head of Finance of the Manager. He is primarily in charge of the accounting and financial matters of the Manager. He started his career as an Audit Assistant with KPMG Desa Megat & Co. in February 2008 and advanced to Assistant Manager position within 3 years with the Firm. He has audit experience from various industries which includes oil & gas trading, railway transportation, plantations, manufacturing, services and trading. He joined the Manager in October 2011 as an Accountant and was promoted to Senior Accountant on 1 January 2016. He is currently a member of the Malaysian Institute of Accountant (MIA) and a Fellow member of the Association of Chartered Certified Accountants (ACCA).

Other than as disclosed, he does not hold directorships in other public companies in Malaysia. He does not have any family relationship with any Directors and/or major Unitholders of Al-Salām REIT nor does he have any conflict of interests with Al-Salām REIT. He has not been convicted for any offences, other than traffic offences (if any), within the past 5 years.





SECTION **3**
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MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF AL-SALĀM REIT

Al-Salām REIT is a medium-sized diversified Malaysian REIT with a total portfolio asset value of RM927.5 million. Its investment properties' gross floor area totals 1.9 million sq ft with 1.5 million sq ft of total net lettable area. Its properties are well diversified into retail, office, F&B Restaurants and F&B non-restaurant segments.

FINANCIAL REVIEW

Al-Salām REIT managed to deliver a stable DPU of 6.00 sen for FY2017 (FY2016: 6.00 sen) despite current challenging economic and market condition.

Table 1: Key Financial Highlights

	Audited FY 2017 RM'000	Audited FY 2016 RM'000	Variance (%)
Gross Revenue	80,033	76,135	5.1
Net Property Income	56,887	56,913	(0.1)
Net Income (realised)	35,542	36,037	(1.4)
Income available for distribution (realised)	35,542	36,037	(1.4)
EPU (sen) - realised	6.13	6.21	(1.4)
DPU (sen)	6.00	6.00	

Commentaries (FY2017 vs FY2016)

1. Al-Salām REIT achieved a gross revenue of RM80.0 million for the financial year ended 31 December 2017, a moderate growth of 5.1% against RM76.1 million achieved in FY2016, mainly contributed by a stronger performance in the retail segment. However, net property income was slightly lower due to increase in property expenses in Menara KOMTAR.
2. The Fund registered a slightly lower realised EPU in FY2017 as a result of the above.

Table 2 : Segmental Gross Revenue and NPI 2016-2017

	Gross Revenue			Net Property Income		
	FY 2017 RM'000	FY 2016 RM'000	Change %	FY 2017 RM'000	FY 2016 RM'000	Change %
KOMTAR JBCC	43,090	39,915	8.0	27,521	27,467	0.2
@Mart Kempas	7,209	6,781	6.3	3,967	3,772	5.2
Total Retail Segment	50,299	46,696	7.7	31,488	31,239	0.8
Menara Komtar	9,136	9,033	1.1	5,451	5,839	(6.6)
Total Office Segment	9,136	9,033	1.1	5,451	5,839	(6.6)
22 KFC &/or Pizza Hut Outlets	9,803	9,803	-	9,790	9,787	-
Total F&B Restaurants	9,803	9,803	-	9,790	9,787	-
Industrial Premises	8,263	8,263	-	8,238	8,237	-
KFCH International College	2,532	2,340	8.2	2,190	2,081	5.2
Total F&B Non-Restaurants	10,795	10,603	1.8	10,428	10,318	1.1
Property Manager Fee	-	-	-	(270)	(270)	-
Total Portfolio	80,033	76,135	5.1	56,887	56,913	(0.1)

BUSINESS REVIEW

Retail segment remained as the key contributor to Al-Salām REIT with contribution to revenue and NPI of 63% (FY2016: 61%) and 55% (FY2016: 55%) respectively. The retail segment's revenue increased by 7.7% to RM50.3 million from RM46.7 million in FY2016. The significant increase is mainly attributable to an increase in occupancy rate for KOMTAR JBCC of 95% as compared to 93% in FY2016 and @Mart Kempas of 92% as compared to 90% in FY2016.

The office segment's contribution to the total revenue and NPI was stable at 11% and 10% respectively. During the financial year, Menara KOMTAR occupancy rate decreased to 91% from 93%. The Service Provider is currently searching to secure replacement tenants for the vacant space.

The food and beverage segment witnessed a higher contribution of revenue and NPI as compared to those from previous year. This is due to the rental rate for Malaysian College of Hospitality & Management (MCHM) — formerly known as KFCH International College — rental rate increased by 10% starting November 2016.

PROFIT FOR THE YEAR

Al-Salām REIT closed the year with a profit of RM40.6 million (FY2016: RM46.7 million) comprising realised profit of RM35.5 million (FY2016: RM36.0 million) and unrealised profit of RM5.1 million (FY2016: RM10.7 million).

Lower realised profit was registered as compared to those of the previous year mainly due to higher operating expenses of the properties.

The unrealised profit of RM5.1 million comprised fair value gain after accounting for capex incurred. Net fair value gain for the year mainly attributable to Menara KOMTAR, MCHM and certain QSR properties.

DISTRIBUTION PER UNIT (DPU)

Total income available for distribution for FY2017 was RM35.5 million (FY2016: RM36.0 million). The Fund had distributed an interim income distribution of 2.85 sen per unit amounting approximately RM16.5 million on 13 October 2017.

On 29 January 2018, the Manager, declared a final income distribution of 3.15 sen per unit totaling RM18.3 million. The said distribution was paid on 28 February 2018 and has not been included as a liability in the financial statements as of 31 December 2017.

Total income distribution for FY2017 is 6.00 sen per unit (FY2016: 6.00 sen) totaling RM34.8 million, which represents 97.9% of the income available for distribution.

STATEMENT OF FINANCIAL POSITION

Al-Salām REIT's total asset value increased to RM988.8 million as at 31 December 2017 compared to RM978.2 million in the previous year. The increase of RM10.6 million was derived from gain in fair value of investment properties and capex incurred of RM5.4 million, increase in other assets of RM7.6 million and decrease in cash and bank balances (including fixed deposit) of RM2.4 million.

PERFORMANCE BENCHMARK

Performance Benchmark	FY2017	FY2016	Commentary
i. Distribution Yield (%)	6.0%	5.6%	Distribution yield has increased marginally from 5.6% to 6.0% due to lower closing price of RM1.00 compared to RM1.07 in FY2016.
ii. Total Returns (%)	-1%	20.6%	Total return for the financial year was -1% (FY2016: 20.6%) contributed by capital loss of 6.5% (FY2016: capital gain of 15%) plus distribution yield of 6.0% (FY2016: 5.6%).
iii. NAV per unit (after income distribution) (RM)	1.0311	1.0211	NAV per unit increased by 2% mainly arising from gain on fair value of properties.

Notes:

- Based on DPU of 6.00 sen (FY2016: 6.00 sen) divided by its closing price as at 31 December 2017 of RM1.00 (FY2016: RM1.07).
- Total return represents the change in unit price during the year plus distribution yield for the year.
- Net asset value per unit is determined by deducting the value of all Al-Salām REIT's liabilities from the total asset value, divided by total issued units.

STATEMENT OF CASH FLOWS

Operating activities

Net cash generated from operating activities was RM 47.8 million in FY2017, lower by RM 5.1 million than FY2016. This is mainly attributable to higher operating expenses in the current financial year in 2017.

Investing activities

Al-Salām REIT used RM 1.1 million for investing activities during the financial year compared to RM 0.5 million in the previous year. The main investing activities in the current year relate to acquisition of equipment, capex and pledged deposit with licensed banks.

Financing activities

Al-Salām REIT drew additional financing of RM 3.1 million during the financial year to pay deposit for one of its proposed acquisition. Interest paid during the year amounted to RM 17.5 million. Distribution paid in the current year was RM 36.2 million compared to RM 22.0 million in the previous year.

Hence, as at 31 December 2017 cash and cash equivalent was at RM 35.2 million, a decrease of RM 2.7 million from RM 37.9 million.

FAIR VALUE OF INVESTMENT PROPERTIES

As at 31 December 2017, the value of Al-Salām REIT's properties was RM 927.5 million compared to RM 922.1 million as at 31 December 2016. The net fair value gain was RM 5.1 million mainly attributable to Menara KOMTAR, MCHM and certain QSR properties with an additional RM0.3 million of investment property.

The portfolio property yield for FY2017 decreased from 6.17% to 6.13% due to lower NPI as well as higher properties value.

	Fair Value @ 31 Dec 2017	Fair Value @ 31 Dec 2016	Fair Value Gain	Property Yield 2017	Property Yield 2016
	RM'000	RM'000	RM'000	%	%
Retail					
KOMTAR JBCC	465,000	465,000	-	5.92	5.91
@Mart Kempas	65,000	65,000	-	6.10	5.80
Office					
Menara Komtar	73,000	72,000	1,000	7.47	8.11
F&B Restaurants					
22 KFC and/or Pizza Hut Outlets	161,670	158,590	3,080	6.05	6.17
F&B Non-Restaurants					
Industrial Premises	133,800	133,100	700	6.16	6.19
Malaysian College of Hospitality & Management	29,000	28,400	600	7.55	7.32
Total	927,470	922,090	5,380	6.13	6.17

1. Appraised value based on valuation carried out by an independent professional valuer, Cheston International (KL) Sdn Bhd. on 31 December 2017.

KOMTAR JBCC

OVERVIEW OF PROPERTY

KOMTAR JBCC is the jewel in Al-Salām REIT's crown and it is part of an integrated development comprising a 7-storey shopping mall cum car park complex together with rooftop and basement parking area, an existing 25-storey purpose built office known as Menara KOMTAR, an office tower (currently under construction) to be known as Menara Johor Land and a proposed Holiday Inn Hotel. The 318-room hotel which is expected to be ready by 2020 will be one of the first hotels in the city to offer internationally branded mid-scale accommodation.

The mall's geographic position is in the heart of Johor Bahru, adjacent to CIQ and this allows it to draw on a wide range of local, day-trippers from Singapore (both Singaporean and international tourists) and other longer-stay international tourists. In addition, the direct linkage of the mall to the transport hub of JB Sentral, allows it to further capitalise on potential visitors from outside its identified catchment.

The tenant mix of KOMTAR JBCC is reflective of its position as a prime regional shopping mall in Johor Bahru. KOMTAR JBCC features an array of outlets of famous international brands which include international brands like Swarovski, Fossil, Chanel, Tumi, Estée Lauder, Dior, Kiehl's, Victoria's Secret, Pandora, Mark's & Spencer, and Tony Roma's amongst others. The anchor tenants are Metrojaya Department Store and the Angry Birds Activity Park.

The table below sets out a summary on KOMTAR JBCC as at 31 December 2017.

Existing Use	4-level Shopping Mall
GFA (sq. ft.)	623,374
NLA (sq. ft.)	397,076
Number of Car Park Bays	1,187
Market Value	RM465 million
Number of Tenancies	121
Occupancy Rate	95%

TENANT PROFILE

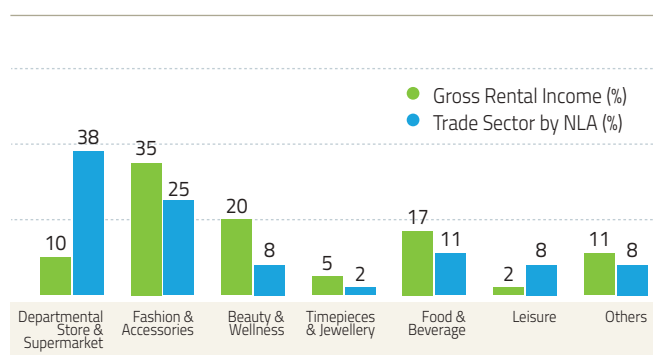
i. Top Ten Tenant

The major tenants contributed for approximately 27% of total income.

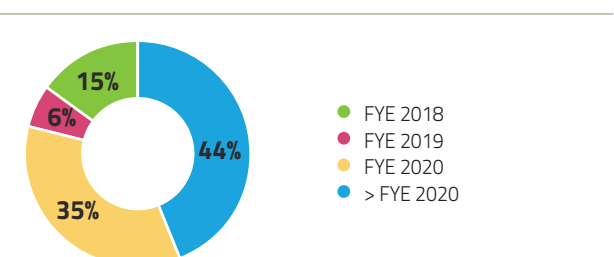
Tenant	% of Total Income
Metrojaya	10
Padini Concept Store	5
Brands Outlet	2
Mark's & Spencer	2
G2000	2
F.O.S	2
Angry Bird Activity Park	2
Kapitan Grocer	2

ii. Trade Sector Analysis (Gross Rental Income)

The table below provides a breakdown of the different trade sectors represented in KOMTAR JBCC as at 31 December 2017.



iii. Tenancy Expiry Profile (NLA)





The majority of the tenancies were renewed in FY2017 and will expire from FY2020 onwards. The Service Provider has managed to retain the existing tenants albeit with increase competition from other malls.

MAJOR ASSET ENHANCEMENT INITIATIVE

There was no major asset enhancement initiative undertaken for year 2017.

STRATEGIES

The fund will continue to focus on the ongoing strength of KOMTAR JBCC with its strategic location in the heart of the city centre and the new development of Ibrahim International Business District (IIBD). Komtar JBCC also has the edge over competitors by continuing to have a substantial number of unique and highly desirable tenants.

- i. To continue to focus on the strength of the higher end retailers to Johor Bahru e.g. Mark's & Spencer, Sephora, Chanel, Dior, Kiehl's and the F & B offer that includes

Dragon i and Tony Roma's and The Angry Birds Activity Park in the marketing and advertising campaign as a key unique selling points over other malls in Johor Bahru.

- ii. To increase Singaporean visitation to KOMTAR JBCC by raising awareness at the Immigration Entry point from the Causeway to Johor Bahru and the ease of accessing KOMTAR JBCC from that point.
- iii. To work with anchor tenants e.g. Metrojaya, The Angry Birds Activity Park and Mark's & Spencer to ensure their success and the flow on effect to other specialty stores at KOMTAR JBCC.
- iv. To leverage on social media connectivity as an effective and interactive tool of campaigns, promotional highlights and events.
- v. To develop mall-wide campaigns aimed at increasing customer spending through rewards or redemptions with the support from retailers or mall management promotional campaign activities

CHALLENGES AND PROSPECTS

The retail competition in Johor Bahru is set to intensify with supply of retail malls continue to grow albeit with slow progression of new malls opening due to the economic slowdown.

The Fund expects that KOMTAR JBCC, as the biggest contributor to the retail segment, will continue to benefit from its strategic location and remain as the preferred premium destination for shopping in Johor Bahru. The competitive strength of KOMTAR JBCC is the key driver to attract new retailers and retaining existing retailers that are due for lease renewals. The ongoing rapid development in Johor Bahru City Centre like redevelopment of Sungai Segget and proposed Ibrahim International Business District (IIBD) is expected to enhance the prospect of KOMTAR JBCC.

@MART KEMPAS

OVERVIEW OF PROPERTY

@Mart Kempas is a single-storey purpose-built hypermarket servicing the local residents within Kempas. @Mart Kempas targets the lower and medium market and offers shoppers an affordable “one-stop convenience supermarket”.

@Mart Kempas is a modern concept of the normal traditional wet market of the olden days and offers cleaner and a more convenient shopping experience compared to the traditional wet market. @Mart Kempas also serves to provide the small local traders to be “under one roof” to carry out their normal business with the opportunity to participate in the competitive retail business amidst the entry of foreign retail players.

The table below sets out a summary on @Mart Kempas as at 31 December 2017.

Existing Use	Community Hypermarket
GFA (sq. ft.)	164,460
NLA (sq. ft.)	99,699
Number of Car Park Bays	478
Market Value	RM65 million
Number of Tenancies	164
Occupancy Rate	92%

TENANT PROFILE

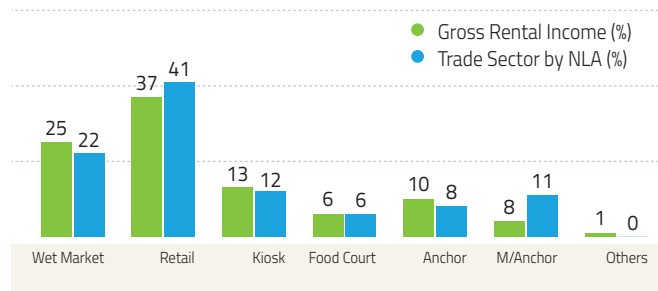
i. Top Ten Tenant

The major tenants contributed for approximately 30% of total income.

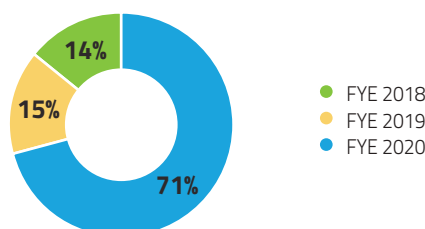
Tenant	% of Total Income
Pasaraya Midas	10
Lionmas Furniture Sdn Bhd	2
Pasaraya Ku Trading Sdn Bhd	3
Kasut U Sdn Bhd	3
Hup Heng Trading Sdn Bhd	1
Season Optical Sdn Bhd	1
JE Telecommunication Sdn Bhd	3
NCH Communication	2
Linkme Trading Sdn Bhd	3
Asri Soya Enterprise	2

ii. Trade Sector Analysis (Gross Rental Income)

The table below provides a breakdown of the different trade sectors represented in @Mart Kempas as at 31 December 2017.



iii. Tenancy Expiry Profile



The majority of the tenancies were renewed in FY2017 and will expire from FY2020 onwards. The Service Provider has managed to retain the existing tenants albeit with increase competition from other malls.

MAJOR ASSET ENHANCEMENT INITIATIVE

There was no major asset enhancement initiative undertaken for year 2017.

CHALLENGES AND PROSPECTS

The general sentiment in consumer retail market has softened due to uncertainty in the economy and has led consumers to be cautious in their spending habit. However, @Mart Kempas being a community mart which offers shoppers a good range of necessary household products, will remain resilient in this economic situation as evidenced by the improvement in its occupancy rate.

As such, the property manager will continue to take the following steps:

- Re-position the trade mix to meet shoppers requirement as well as to achieve higher rental rate.
- Explore other income such as renting advertising space, creating new tenanted areas and promotion areas.
- Work with tenants to attract more visitors to shop by doing promotional activities and also offer quality products at affordable prices.

OPERATIONAL REVIEW
OFFICE SEGMENT

MENARA KOMTAR

OVERVIEW OF PROPERTY

Menara KOMTAR is a 25 storey office building located in Johor Bahru City Centre, Johor Bahru.

Menara KOMTAR has undertaken major refurbishment works since July 2013 with the internal works and the external works on the facade fully completed in the end of November 2015.

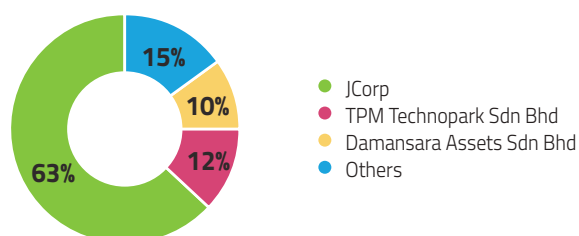
Similar to KOMTAR JBCC, Menara KOMTAR is located within the integrated development of Johor Bahru City Centre which forms part of the revitalization and redevelopment program in Flagship A of Iskandar Malaysia.

The table below sets out a summary on Menara KOMTAR JBCC as at 31 December 2017.

Existing Use	Office Building
GFA (sq. ft.)	242,195
NLA (sq. ft.)	160,592
Number of Car Park Bays	145
Market Value	RM73 million
Number of Tenancies	23
Occupancy Rate	91%

TENANT PROFILE

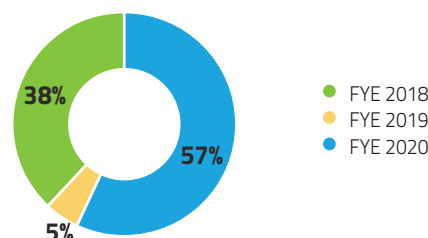
i. Major Tenants



ii. Trade Sector Analysis (Gross Rental Income)

JCorp Group of Companies occupied about 85% of the NLA. The gross rental income contributed by JCorp was 76%.

iii. Tenancy Expiry Profile



MAJOR ASSET ENHANCEMENT INITIATIVE

There was no major asset enhancement initiative undertaken for year 2017.

CHALLENGES AND PROSPECTS

In general, the occupancy of office building especially in Klang Valley remains sluggish as a result of oversupply in the past few years. However, the situation in Johor Bahru is still under control.

Meanwhile, providing continuous strong income to the Fund is Menara KOMTAR. This property owes its stability of revenue to it being a part of KOMTAR JBCC which enhances its prospects in view of the strategic location within the integrated development. In addition, being utilised as the main head office of JCorp will allow Menara KOMTAR to enjoy stable rental income in the long run, which is in a strategic location and undergoing redevelopment for better customer experience.

The Manager will continue to engage with the tenants by further developing relationship to enhance the level of service and experience of tenants in Menara KOMTAR. This is done by maintaining a high level of tenants' satisfaction by responding to tenants' request, undertaking preventive maintenance and where appropriate, servicing the expansion needs of existing tenants.

OPERATIONAL REVIEW
FOOD & BEVERAGE : RESTAURANT SEGMENT
KFC / PIZZA HUT

OVERVIEW OF PROPERTIES

The Food & Beverage Restaurant segment comprises 22 restaurant properties located across Malaysia. The restaurant properties support the food and beverage operations of QSR, specifically in relation to the operations of fast food brands namely KFC and Pizza Hut. Al-Salâm REIT is leasing all of the QSR Properties, the restaurant and non-restaurant properties to QSR Group of Companies.

The breakdown of the restaurant properties and non-restaurant properties together with their market values are set out below:

Description	No. of Properties	Market Value (RM)
Restaurant located at shophouses/ offices	9	29,270,000
Single-storey restaurants building with drive-through outlets	9	111,800,000
Restaurant at mall outlets	4	20,600,000
TOTAL	22	161,670,000

RENTAL RENEWAL

As stipulated in the master lease agreements, the Properties are leased based on a Triple Net Lease for a term of 3 years. The rental is renewable every 3 years up to a maximum of 15 years (Lease Term) with an option to renew for a further period of 15 years (Extended Lease Terms).

The rental term is as below:

F&B Properties (outlet)	First Rental Term
11	6 May 2015- 5 May 2018
11	29 Sept 2015- 28 Sept 2018

MAJOR ASSET ENHANCEMENT INITIATIVE

The properties are on a Triple Net Lease arrangement and there was no major asset enhancement initiative undertaken for year 2017. The Fund will continue to enhance the relationship with the tenants and proactively attend to tenants' need and requirements.



OPERATIONAL REVIEW
 FOOD & BEVERAGE : NON-RESTAURANT SEGMENT
INDUSTRIAL PREMISES

OVERVIEW OF PROPERTIES

The industrial properties support the food and beverage operations of QSR, specifically in relation to the operations of fast food brands of KFC and Pizza Hut. Al-Salām REIT is leasing all of the QSR Properties, the restaurant and non-restaurant properties to QSR Group of Companies.

The industrial properties are comprising of 5 properties with a current total market value of RM133.8 million.

RENTAL RENEWAL

As stipulated in the master lease agreements, the Properties are leased based on a Triple Net Lease for a term of 3 years. The rental is renewable every 3 years up to a maximum of 15 years (Lease Term) with an option to renew for a further period of 15 years (Extended Lease Terms).

The rental term is as below:

F&B Properties (outlet)	First Rental Term
2	6 May 2015- 5 May 2018
3	29 Sept 2015- 28 Sept 2018

MAJOR ASSET ENHANCEMENT INITIATIVE

The properties are on a Triple Net Lease arrangement and there was no major asset enhancement initiative undertaken for year 2017. The Fund will continue to enhance the relationship with the tenants and proactively attend to tenants' need and requirements.

OPERATIONAL REVIEW
 FOOD & BEVERAGE : NON-RESTAURANT SEGMENT
MALAYSIAN COLLEGE OF HOSPITALITY & MANAGEMENT

OVERVIEW OF PROPERTY

The property is a 4-storey building known as Malaysian College of Hospitality & Management (MCHM) — formerly known as KFCH International College — located in Bandar Dato' Onn, a residential township located 12 km from Johor Bahru. The 597-hectare (1,474 acre) township of Bandar Dato' Onn will be self-contained township and home to more than 90,000 residents when completed.

The table below sets out a summary on MCHM as at 31 December 2017.

Existing Use	Office Building
GFA (sq. ft.)	92,157
NLA (sq. ft.)	87,178
Number of Car Park Bays	131
Market Value	RM29 million
Occupancy Rate	100%

LEASE EXPIRY

The lease for MCHM shall be for a term of 3 years commencing on 8 October 2010 and expiring on 7 October 2013. The lease is subject to a compulsory renewal for 2 terms of 3 years each, of which the third term shall expire on 7 October 2019. There was a rental renewal on 8 October 2016.

MAJOR ASSET ENHANCEMENT INITIATIVE

There will be no major expansion or renovation on the property since the building is still in good condition and there is no requirement from the existing tenant to expand their operation which will necessitate a major asset enhancement initiative.

CHALLENGES AND PROSPECTS

The tenancy of the property will only expire in end 2019 and the Fund does not expect any change in respect of the renewal or occupancy of the property since it is located strategically in the fast growing well-planned residential township of Bandar Dato' Onn.



CAPITAL MANAGEMENT

	FY2017	FY2016
Total Borrowings (RM Mil)	350.8	346.8
Average Cost Of Debts (%)	4.99	5.11
Fixed/Floating Ratio	100% Floating	100% Floating
Average Maturity Period (years)	2	3
Financing Service Cover ratio (times)	3.00	2.96
Gearing ratio (%)	35.5	35.5

The Manager aims to optimise Al-Salām REIT's capital structure and cost of capital within the financing limits set out in the REIT Guidelines. In addition, the Manager intends to use a combination of debt and equity financing to fund future acquisitions and capital expenditure, determined based on the strategies described below.

The Manager's ongoing capital management strategy involves adopting and maintaining an appropriate gearing level and adopting an active financing rate management strategy to manage the risks associated with changes in financing rates. By doing so, the Manager intends to maximise Al-Salām REIT's Distributable Income while maintaining an appropriate level of risk associated with debt financing. The Manager intends to implement this strategy by;

- diversifying sources of debt funding
- maintaining a reasonable level of loan service capability
- securing the most favourable terms of funding
- managing its financial obligations
- where appropriate, managing the exposures arising from adverse market financing rates
- actively manage the range of maturities to reduce refinancing risk and optimize the cost of capital

Al-Salām REIT's financing currently comprises the following:

	2017 RM	2016 RM
Current:		
Commodity Murabahah Revolving Credit-i	3,100,000	-
Non-current:		
Commodity Murabahah Term Financing-i	350,000,000	350,000,000
Transaction costs	(2,301,033)	(3,195,045)
	347,698,967	346,804,955
Total Islamic Financing	350,798,967	346,804,955

Al-Salām REIT's current financing relates to Commodity Murabahah Revolving Credit-I ("CMRC-i") dated 14 June 2017 where the facility amount is up to the aggregate principal limit of RM10 million from RHB Islamic Bank Berhad. To date, RM3.1 mil has been drawn down from the CMRC-i. The CMRC-i is secured against an investment property of RM15.3 mil. The average effective profit rate for the CMRC-i is 5.49%.

Al-Salām REIT's non-current financing 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 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 4.99% (2016: 5.11%).

Given that the CMTF-i is on a floating financing basis, the Manager is considering few options to mitigate the financing risk which include establishing fixed rate financing via Sukuk programme and/or profit rate swap.

This capital management initiative will enable Al-Salām REIT to enjoy a lower blended yield with fixed financing rate on longer tenure. The gearing of Al-Salām REIT as at 31 December 2017 is 35.5 %, leaving a debt headroom of approximately RM100 million to fund its capex plans and future acquisitions before reaching the statutory limit of 50%.

RISK MANAGEMENT

The Manager is committed to establishing a sound system of risk oversight and management and internal control to identify, assess, monitor and manage material risks related to the conduct of Al-Salām REIT's activities.

We will continuously aim to improve the management of risk by better understanding the reward-to-risk balance, reduce the risks to acceptable levels and come up with a better mitigation plan for all the risks involves. In managing our operations, the Manager will develop, implement and maintain management systems for all material risks that enable Al-Salām REIT to:

- Identify, assess and manage risks in an effective and efficient manner;
- Make decisions based on a comprehensive view of the reward-to-risk balance;
- Provide greater certainty of the delivery of objectives; and
- Satisfy our corporate governance requirements.

This will be undertaken by:

- Implementing a comprehensive and systematic risk assessment and reporting process across the organisation;
- Integrating the outputs of risk specialist functions to provide a holistic view of the risks associated with our business activities; and
- Innovation, with corporate governance being exercised through the regular measurement and reporting of our risk management processes.

Risk	Explanation	Mitigation Plan
Acquisition & Investment Risk	Risk that assets to be acquired are not yield-accretive and mixed with problems which may affect the commercial potential.	The Manager will ensure proper and reasonable care is in place for any acquisition of assets, which include undertaking thorough due financial, legal as well as building due diligence in ascertaining the viability of the assets to be acquired.
Competition Risk	The properties under the portfolio may face increased competition from other existing properties as well as upcoming properties in the surrounding area.	The Manager will undertake active asset management strategies by working together with the Property Manager, which include, amongst others, to maximize occupancy rate, rental rates and net lettable area.
Tenancy Risk	Risk that tenants might not be able to fulfil its rental obligation as well as non-renewal of expiring tenancies.	The Manager together with the Property Manager will ensure that the rental collection is in order and to negotiate early with the tenants of expiring tenancies.
Financing Risk	Currently, the financing is on a floating basis and as such, Al-Salām REIT will be affected by any significant adverse movement in the interest rate in the mark.	The Manager closely monitors the movement of general interest rate in the market. The Manager plans to embark on a sukuk programme and to have a fixed financing or a combination of fixed and floating financing.
Liquidity Risk	Risk that funds are inadequate to meet obligations.	The Manager does not foresee that Al-Salām REIT will succumb into liquidity risk as the underlying tenants are able to provide long term stable income to the fund.
Business / Market Risk	Risk that the properties face decline in revenue due to poor market condition, competition and geographical concentration.	The Manager is confident that given the strategic location of the asset under the portfolio primarily Komtar JBCC, the business and market risk is minimal. In addition, QSR Group being the major tenant of its assets is a leading player quick and service in the restaurant in Malaysia and operating in an economic resilient type of business.
Tenant Concentration Risk	Risk that revenue of Al-Salām REIT is dependent on anchor tenants. Termination or non-renewal of tenancy by the anchor tenants will negatively impact the performance of the properties.	The major tenant of Al-Salām REIT properties is QSR Group. The Manager does not foresee any non-renewal of tenancies for QSR Group as the properties were owned and occupied by them prior to injection into Al-Salām REIT.
Currency Risk	Risk that Al-Salām REIT is exposed to foreign currency and exchange rate fluctuations.	Al-Salām REIT does not own any property abroad and as such is not subject to any fluctuation of exchange rate.
Compliance Risk	Risk that Al-Salām REIT fails to comply with applicable laws and regulations.	The Manager has a designated compliance officer who is responsible for ensuring that all relevant laws guidelines and regulations are duly complied.

INVESTOR & PUBLIC RELATIONS



2nd AGM of Al-Salām REIT at Puteri Pacific Hotel, Johor Bahru

At Al-Salām REIT, investor relations activities are focused on increasing awareness in the investment community via an open dialogue with all stakeholders, namely Unitholders, analysts, media, potential investors and the general public. Our aim is to enable market participants to form a realistic opinion of the company's profitability, strategic positioning and the associated opportunities and risks.

2ND ANNUAL GENERAL MEETING

The Manager convened the 2nd Annual General Meeting (AGM) of Al-Salām REIT on 25 April 2017 to seek the unitholders' approval amongst others, for the following resolutions:

- Proposed to allot and issue new units
- Proposed increase in the existing approved fund size

At the Annual General Meeting, the Chairman presented the progress and performance of the business and encouraged Unitholders to participate in the question-and-answer session.

ACCESSIBILITY OF INFORMATION

The accessibility for retail investors to the management of the Manager may not be easily available in comparison to institutions investors. We recognise the growing sophistication of retail investors leading to higher expectation of higher accessibility of information from this group of stakeholder. The existing communication channels for retail investors include the following:

- 1) Corporate Website & Investor Relation Portal (www.alsalamreit.com.my)
- 2) Annual Report
- 3) IR enquiry

In this financial year, we have made enhancement to the communication channels mentioned above. Al-Salām REIT website was upgraded to incorporate new features and additional information in order to facilitate our stakeholders in making informed decisions. The Investor Relation Portal (IR Portal) is incorporated into Al-Salām REIT's corporate website under the Investor Relations section. The IR Portal is powerful communication channel for the public in accessing latest announcements, annual reports, presentation decks and stocks information.



REITs Asia Pacific 2017 Exhibition

ANALYSTS & INVESTORS BRIEFING

The Manager has always engaged with analysts as well as investors and potential investors to keep them abreast of the latest development of Al-Salām REIT. The briefings were organised periodically either through one-on-one meetings, conference calls or roadshow. Properties tour was also organized based on request for better appreciation of the quality of our assets.

MEDIA RELATIONS

Media have an important role in providing information which is the key to an efficient market operation and thus plays a critical role in all aspects of business, commerce and industry. The Manager is aware of the important role played by the media in shaping the present and future image of the Fund and always opens its door to interact with media at all times.

MALAYSIAN REIT MANAGERS ASSOCIATION (MRMA)

Al-Salām REIT is an active member of the Malaysian REIT Managers Association (MRMA) since 2009. The Manager took the opportunity attending the quarterly meetings and the annual general meeting to exchange views with other members and planning concerted efforts to promote M-REITs industry to both domestic and foreign investors.

EXHIBITION

The Manager is committed to increase awareness on Al-Salām REIT among public and local investors. Participation in the various exhibitions aimed to expose the variety of investments and include awareness of the public about the legitimate investment products in Malaysia. This is a great channel to communicate with investors as the exhibitions were attended by government institutions and NGOs as well as from the mass public.

Event	Date	Venue
REITs Asia Pacific 2017 Exhibition	4 Aug 2017	Sheraton Towers, Singapore
Ekspo Johor Berkemajuan	6 - 14 Oct 2017	Nusajaya, Johor
Hari Misi Inovasi Bisnes JCorp 2017	13 - 14 Dec 2017	Persada Johor International Convention Centre, Johor Bahru

RESEARCH COVERAGE

During the financial year Al-Salām REIT is covered by the following research houses:

Research House	Date of Report	Recommendation	Target Price
RHB Investment Bank	16 Feb 2017	Buy	RM1.18
RHB Investment Bank	24 May 2017	Buy	RM1.18
RHB Investment Bank	25 Aug 2017	Buy	RM1.18
Maybank Investment Bank	16 Feb 2017	Buy	RM1.15
Maybank Investment Bank	24 May 2017	Buy	RM1.15
Maybank Investment Bank	25 Aug 2017	Buy	RM1.15
Maybank Investment Bank	4 Oct 2017	Buy	RM1.15
Maybank Investment Bank	10 Nov 2017	Buy	RM1.15
Maybank Investment Bank	24 Nov 2017	Buy	RM1.15
Maybank Investment Bank	5 Dec 2017	Buy	RM1.15

MARKET REPORT SUMMARY

1. ECONOMIC OVERVIEW

The Malaysian economy performed exceptionally good last year driven by a resilient domestic demand due to the improvements in both investment and consumption and reinforced by a sturdy global demand. The first three quarters displayed a better-than-expected performance with the real GDP growing by 5.6% in the first quarter and accelerating to 5.8% and 6.2% in the second quarter and third quarter, respectively. For the year as a whole, Bank Negara Malaysia reported that the Malaysian economy recorded a growth of 5.9% (2016: 4.2%).

With an accommodating domestic development amid buoyant external demand, Malaysian economy is expected to grow at 5.4% this year, again driven by domestic demand, which in turn is projected to grow at 5.2%. The private sector, both consumers and producers, is anticipated to continually provide impetus for domestic demand. The external sector is expected to remain strong although the growth rates both for exports and imports are projected lower due to the base effect of a high growth realised last year. The growth momentum is expected to persist into next year, with the expected GDP growth rate in a range of 4.8-5.3%.

(Source: Official website of Bank Negara Malaysia and Malaysian Institute of Economic Research)

2. MALAYSIAN REIT

The 10-year MGS yield has ranged higher at 4.0-4.3% in Jan-Apr 2017, due to less favourable macroeconomic factors such as weakening of the MYR and suppressed crude oil prices. In May-12 Dec 2017, the 10-year MGS yield ranged lower at 3.8%-4.1%. 2017 YTD, the 10-year MGS yield has increased to an average of 4.00% (2016: 3.84%). Conversely, M-REITs' net DPU yield (1-year forward) inched down to 5.30% average for 2017 YTD (2016: 5.31%). This led to yield spreads of M-REITs over the 10-year MGS being lower at 130bps, vs. 147bps for 2016. M-REITs underperformed in 2017 YTD – the sector average is down -4% vs. KLCI's +5%. It is believed M-REITs'

moderation in unit prices is partly attributed to their 2016 outperformance (+13%) for their resilient earnings and on cautious corporate earnings outlook across selected sectors. In 2017, broad property oversupply has impacted investors' sentiment on the REITs too.

It is expected the outlook to remain challenging for M-REITs as they could face occupancy risk due to oversupply. 2018 is likely to see BNM OPR hike; this offers opportunity to accumulate the quality REITs on weakness. Maybank Economics Team expects a +25bps OPR hike to 3.25% (May 2018 as the earliest possible timing) which is reflective of BNM's confidence in the strength of both global and domestic economic growth in 2017 sustaining into 2018. BNM has also signalled for higher OPR bias in its Monetary Policy Statement dated 9 Nov 2017. With higher interest rates being generally negative on the REITs (with unit prices expected to adjust down amid higher fixed income yields), we would position to accumulate the quality REITs on weaknesses in their unit prices.

Nevertheless, it is a forecasted a higher aggregate core EPU growth of +5.1% YoY in 2018 (2017E: +0.6% YoY) on sustained occupancy rates, rental step-ups, positive rental reversions, and asset injections. Maybank IB Research remain positive only on M-REITs with prime shopping malls and office assets with tenants on long-term or triple net leases which entail lower occupancy risks.

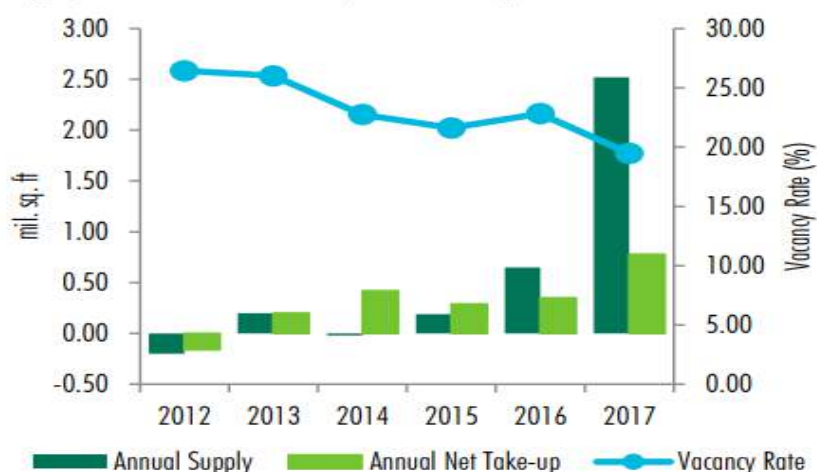
While there is no official effective date for the revised REIT Guidelines by the Securities Commission (SC), it is generally positive on several amendments which could enhance unitholders' value (as observed from the SC's public consultation paper in 2H16). Potential major positives from the revised guidelines are allowing redevelopment activities, a fixed gearing limit and extension of the non-Shariah compliant tenants' tenure.

(Extracted from Research report 2018: Outlook & lookouts by Maybank IB Research, 15 December 2017)

3. RETAIL

As of 1H2017, the total retail space in Johor stood at 19.06 million sq ft, a 3.6% increase y-o-y (1H2016: 18.40 million sq ft). During the corresponding period, occupancy improved marginally to 77.1% (1H2016: 75.9%). AEON Group continued its expansion with the opening of AEON Bandar Dato Onn in early September 2017. The 3-storey shopping mall will cater primary to the demand from within the larger neighbourhood of Bandar Dato Onn. This will be the sixth outlet for AEON in Johor besides Bukit Indah, Tebrau City, Kulai, Permas Jaya and Taman Universiti.

Supply and Demand of Purpose Retail Space



Note: Data for the full year of 2017 is based on estimation
Source: NAPIC, CBRE | WTW Research

IKEA Tebrau was officially opened to the public on 16th November. This is the third outlet in Malaysia. It has a basement car park providing 1,771 parking bays. The retail mall is the largest in South-East Asia with approximately 46,731 sq m (503,008 sq ft) of retail space.

The vacancy rate of retail space stayed stable at approximately 23% while the average rent dropped slightly to RM25 per square foot from RM27 per square foot in 2016 for malls in prime locations.

(Extracted from CBRE | WTW Research : Asia Market outlook 2018, Malaysia).

WCT's Paradigm Mall opened its doors to public on 28th November. Among the tenants are Parkson (anchor tenant), Golden Screen Cinemas, Padini Concept Store, Uniqlo, Brands Outlet, Harvey Norman, Blue Ice Skating Rink @ Paradigm Mall and Village Grocer. The seven-storey mall is located along the Skudai Highway. It has NLA of about 1.3 million sq ft. The other components of the 3-in-1 project include a 24-storey serviced apartment block and a 296- room hotel, to be built in the near future.

The opening of these three retail malls in Johor Bahru has thus increased the current retail space in Johor to about 21.46 million sq ft.

(Extracted from Research Report Knight Frank : Real Estate Highlights 2nd Half 20167

4. OFFICE

The total purpose-built office space increased by about 5.0% to record at 12.25 million sq ft in 1H2017 (1H2016: 11.67 million sq ft) while occupancy rate declined to 77.7% (1H2016: 80.7%). BCB Berhad has launched its shop offices in Medini known as VERSIS. Currently, the project is under Phase 1A and consists of 54 units of 3-storey terraced and 3-storey semi-detached offices. The average selling price starts from RM2.28 million per unit. Offered with Guaranteed Rental Return (GRR) of 5% for four years, the shop offices are expected to be completed in 2019. Since its official launch in September, the project has received good response with circa 50% take-up rate

(Extracted from Research Report Knight Frank : Real Estate Highlights 2nd Half 2017)

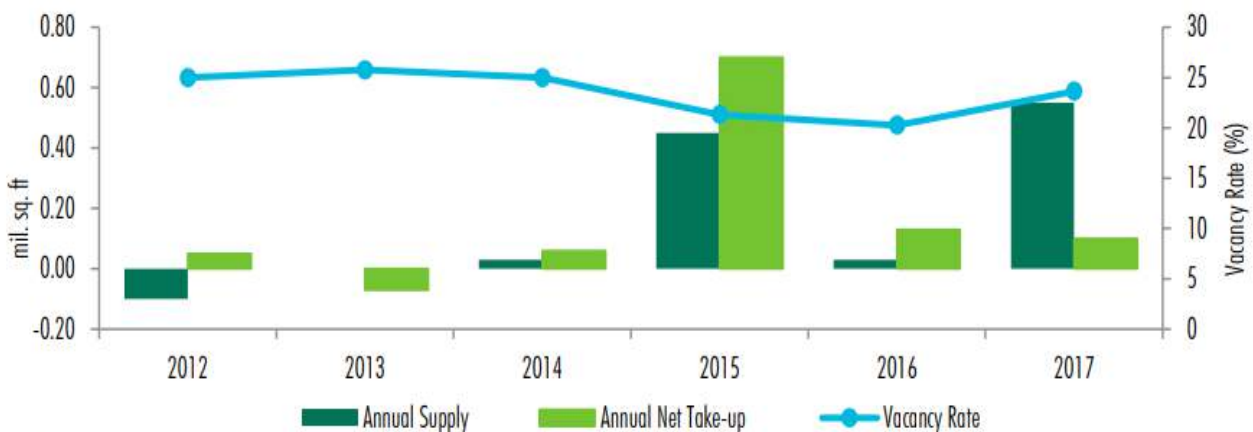
In 2017, existing supply PBO space was 9.21 million square feet in 111 buildings. About 71% is privately owned while the remaining is owned by the government. In 1Q 2017, BSN Tower

in Johor Bahru city centre opened its doors with a net lettable area of 69,966 square feet.

There are another 6 under construction buildings with total net lettable area of 2.36 million square feet are expected to enter the market in the next 3 years.

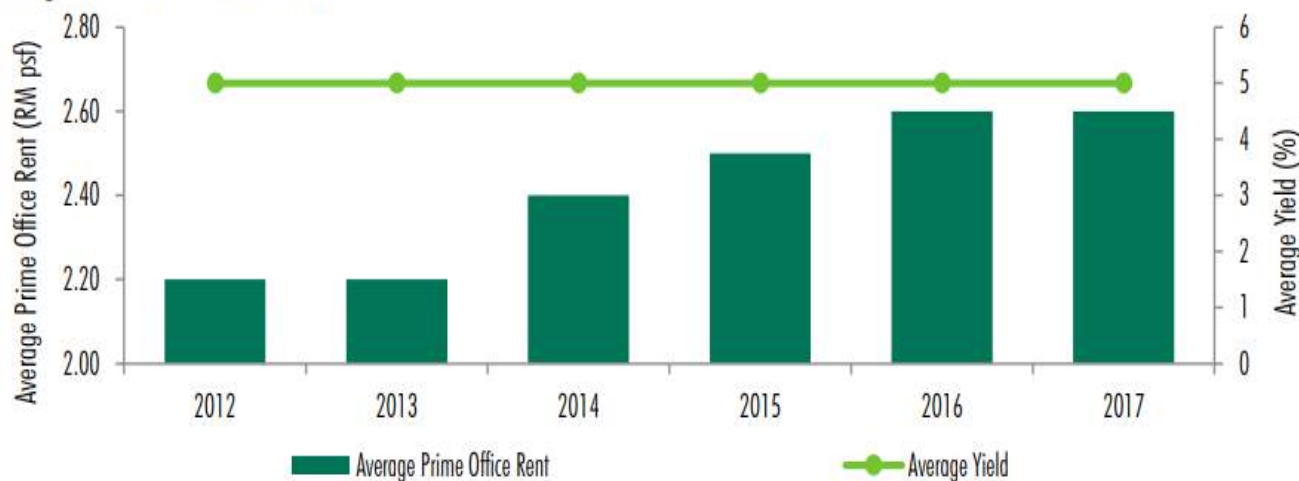
Demand for office space has been stable in Johor Bahru and vacancy rate was about 20%. The average office rent for prime office space in Johor Bahru city centre remained stable at RM3.20 to RM3.50 per square foot, while it was RM2.80 to RM3.20 per square foot for office buildings located in the city fringe. However, new office buildings in Medini and Puteri Harbour commanded higher rental rates in the range of RM4.00 to RM5.00 per square foot. The high rents are being driven by the influx of multinational companies (MNCs) seeking brand new quality prestige office accommodation currently only available in ample supply of Iskandar Puteri. The proximity to catalytic projects within Iskandar Puteri is an added advantage.

Supply and Demand of Purpose-Built Office



Note: Data for the full year of 2017 is based on estimation
Source: NAPIIC, CBRE | WTW Research

Average Prime Office Rent and Yield



Note: Data for the full year of 2017 is based on estimation
 Source: NAPIC, CBRE | WTW Research

(Extracted from CBRE | WTW Research : Asia Market outlook 2018, Malaysia).

5. OUTLOOK

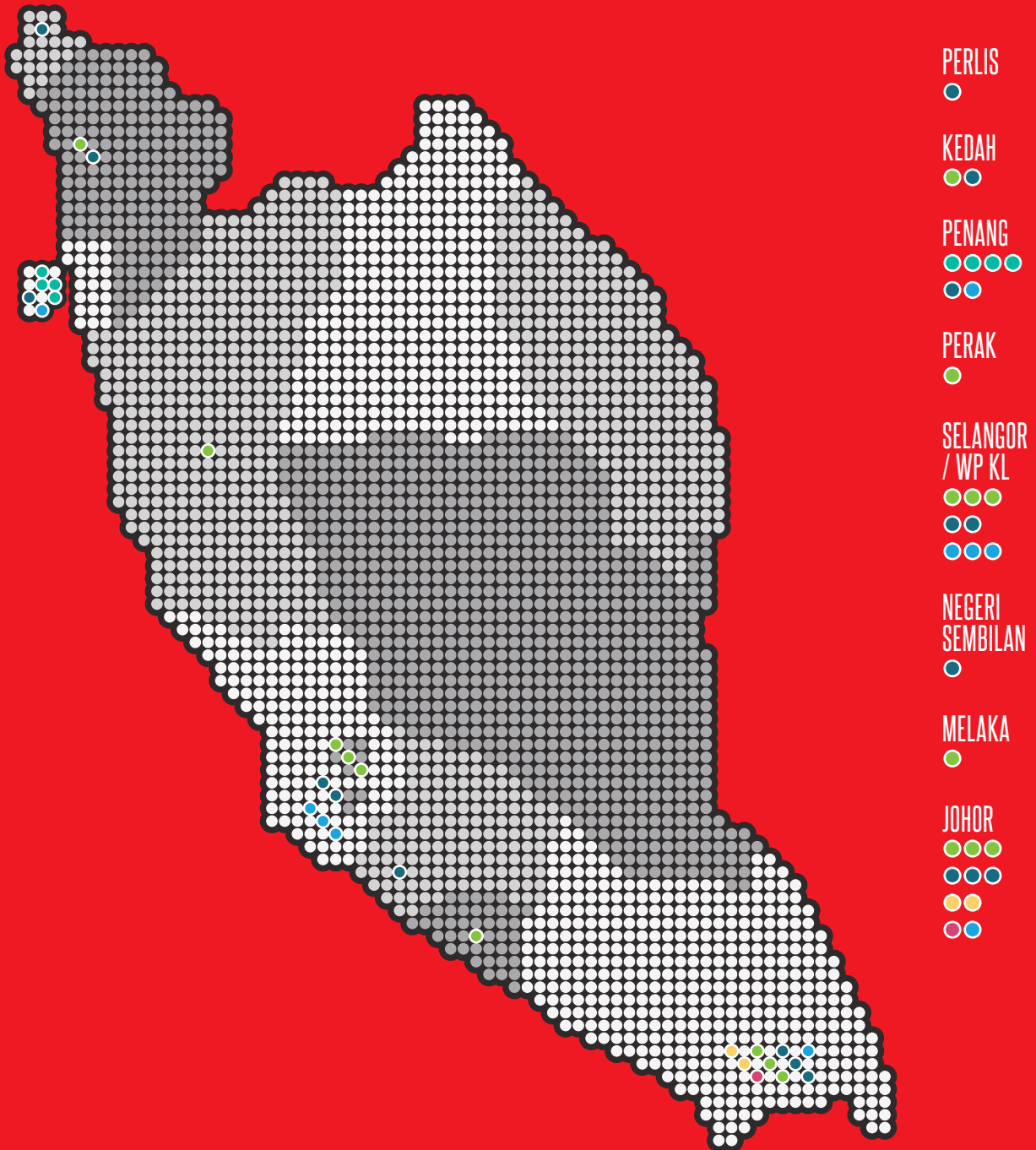
The retail sub-sector is expected to be more competitive as the three newly opened malls have increased the supply of retail space by about 12.6%. In anticipation of the income tax reduction as announced in the Budget 2018, consumers' purchasing power should improve and in return will help to support the retail market in the near future.

Notable developments and catalytic projects in other sectors such as oil and gas (O&G), industrial and tourism will help to support the growth of residential, commercial and retail sub-sectors in Iskandar Malaysia and Johor, in general.

The Pengerang Integrated Petroleum Complex (PIPC), which will contribute about RM8.3 billion to the nation's gross income by 2020, is expected to be fully completed in 1Q2019. Currently, the project is on track and about 77% completed as of end September. The project has generated a lot of job and business opportunities for the local community and this has indirectly helped the growth of the property market in the surrounding areas.

(Extracted from Research Report Knight Frank : Real Estate Highlights 2nd Half 2017)

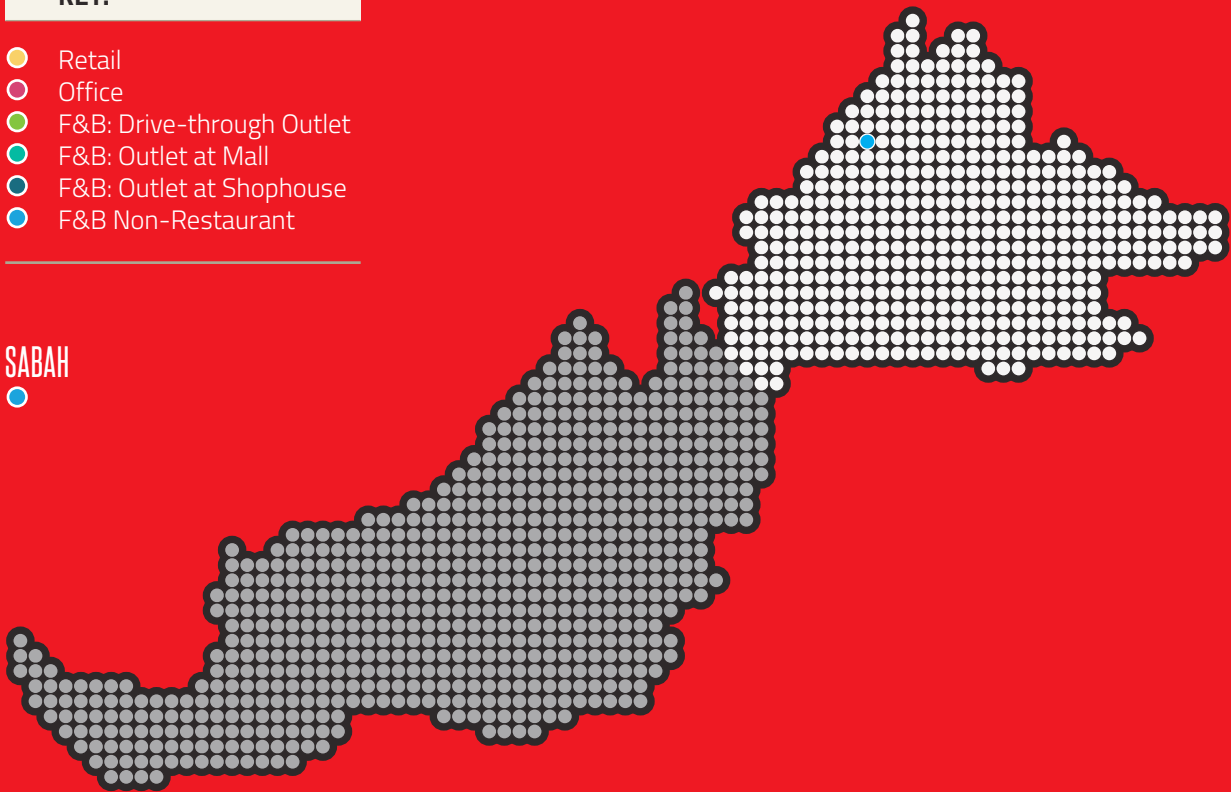
SUMMARY OF INVESTMENT PORTFOLIO



KEY:

- Retail
- Office
- F&B: Drive-through Outlet
- F&B: Outlet at Mall
- F&B: Outlet at Shophouse
- F&B Non-Restaurant

SABAH

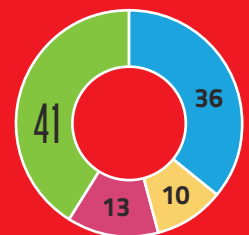
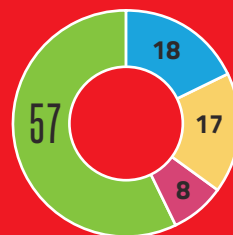


Asset Breakdown by Property Value
as at 31 December 2017

Asset Breakdown by GFA
as at 31 December 2017

KEY:

- Retail
- Office
- F&B Restaurant
- F&B Non-Restaurant



PORTFOLIO DETAILS

RETAIL - KOMTAR JBCC



Location	KOMTAR JBCC, Johor Bahru City Centre, Jalan Wong Ah Fook, Johor Bahru, Johor Bahru Darul Takzim
Description	A 4-Level Shopping Mall
Year of Completion	2014
Title	Lot 14530, Title Grant No. 44587 situated in Town and District of Johor Bahru
Tenure	Freehold
Encumbrances	Charged to RHB Islamic Bank Berhad
Market Value	RM 465,000,000
Date of Latest Valuation	31 December 2017



JANUARY - FEBRUARY

Have A Fan-Tastic Year Of Rooster
12 January - 17 February 2017



FEBRUARY

Chingay Festival Celebration
17 February 2017



MARCH

UMLAND Property Carnival
16 - 19 March 2017



APRIL - MAY
Health & Sport Fair Campaign
 20 April - 1 May 2017



APRIL - MAY
Health & Sport Fair Campaign
 20 April - 1 May 2017



MAY
MYRUMAH NTSP Property Showcase
 5 - 7 May 2017



MAY - JULY
Pesona Aidilfitri - Hari Raya Celebration
 20 May - 16 July 2017



JULY
Auto Fair
 28 - 31 July 2017



AUGUST
Batik Canting With Tadika Sri Kamariah - 60th Merdeka Celebration
 12 - 24 August 2017



SEPTEMBER
Malaysia Grand Prix F1 Finale
 15 - 17 September 2017



OCTOBER
Saree Queen Contest
 21 October 2017



NOVEMBER
Wedding Fair 2017
 10 - 14 November 2017



NOVEMBER - DECEMBER
School Holiday Special Campaign - 3D Balloon
 22 November - 3 December 2017



DECEMBER
Christmas Celebration
 5 December 2017 - 1 January 2018

PORTFOLIO DETAILS

RETAIL - @MART KEMPAS



Location	Premises No. 10, Jalan Persiaran Tanjung, Taman Cempaka 81200 Johor Bahru, Johor Darul Takzim
Description	A Single-Storey Hypermarket
Year of Completion	2010
Title	PTD No. 165998. Title No. HS(D) 510051 situated in Mukim of Tebrau, Daerah Johor Bahru, Johor
Tenure	Leasehold - 99 years, expiring on 23 January 2106
Encumbrances	Charged to RHB Islamic Bank Berhad
Market Value	RM 65,000,000
Date of Latest Valuation	31 December 2017



JANUARY

Majlis Sambutan Maulud Nabi
7 January 2017



FEBRUARY

Home Fair Promotion
1 - 28 February 2017



MARCH

Jualan Pecah Kontena
17 - 26 March 2017



MARCH

Petting Zoo
18 - 19 March & 25 - 26 March 2017



MARCH - APRIL

Toy's Fair
11 March - 10 April 2017



APRIL

Gempaq Auto Show
29 April 2017



APRIL - MAY

Darson Electrical Fair
26 April - 25 May 2017



MAY

Karnival Jelajah Mesra Bangsa Johor
5 - 14 May 2017



MAY
Furniture Fair By Creative Homestyle



MAY - JUNE
Bazaar Ramadhan
27 May - 24 June 2017



MAY - JUNE
Bazaar Hari Raya
24 May - 24 June 2017



JULY
Iskandar Biznes Fiesta
28 - 30 July 2017



AUGUST
Minibike Championship
5 - 6 August 2017



AUGUST
Kempas Berselawat
26 August 2017



AUGUST
Festival Gegar Merdeka
28 - 31 August 2017



AUGUST
@Mart Cycle Fest 2017
31 August 2017



AUGUST
Merdeka Aero Dance
31 August 2017



NOVEMBER - DECEMBER
Food Festival Thailand Dan Malaysia
24 November - 23 Disember 2017



DECEMBER
Pertandingan Mewarna Bersama Angry Bird
16 December 2017

OFFICE SEGMENT



MENARA KOMTAR

Location	Menara Komtar, Johor Bahru City Centre, Jalan Wong Ah Fook, Johor Bahru, Johor Darul Takzim
Description	A 25-Storey Office Building
Year of Completion	1979
Title	Lot 14530, Title No. Grant 44587 situated in Town and District of Johor Bahru, Johor
Tenure	Freehold
Encumbrances	Charged to RHB Islamic Bank Berhad
Market Value	RM 73,000,000
Date of Latest Valuation	31 December 2017



MELAKA

Location	No. PT No. 19503, Lebuh Ayer Keroh, 75450 Hang Tuah Jaya, Melaka
Description	Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility
Year of Completion	2012
Title	Pajakan Mukim No. 4878, Lot 19838 situated in Mukim Bukit Katil, Daerah Melaka Tengah, Melaka
Tenure	Leasehold 99 years expiring on 13 May 2108
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 8,300,000
Date of Latest Valuation	31 December 2017

FOOD & BEVERAGE RESTAURANTS



KEDAH

Location	Premises No. 5, Bangunan Joota Brothers, Jalan Sungai Korok, 06000 Jitra, Kedah
Description	KFC Restaurant
Year of Completion	1992
Title	HS(D) 17607, PT No. 740 situated in Bandar Jitra, Daerah Kubang Pasu, Kedah
Tenure	Freehold
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 520,000
Date of Latest Valuation	31 December 2017

Location	PT2281, Jalan Kuala Ketil, Bandar Puteri Jaya, 08000 Sungai Petani, Kedah
Description	Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility
Year of Completion	2012
Title	HS(D) 125211, PT No. 2281 situated in Bandar Sungai Petani, Daerah Kuala Muda, Kedah
Tenure	Freehold
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 5,200,000
Date of Latest Valuation	31 December 2017



PERLIS

Location	Premises No. 9, Persiaran Putra Timur 1, 02000 Kuala Perlis, Perlis Indera Kayangan
Description	KFC Restaurant
Year of Completion	1996
Title	Pajakan Mukim 1181, Lot 2105 situated in Mukim Kuala Perlis, Daerah Perlis, Perlis
Tenure	Leasehold 99 years expiring on 25 September 2092
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 470,000
Date of Latest Valuation	31 December 2017

FOOD & BEVERAGE : RESTAURANTS - CONT'D

SELANGOR



Location	Premises Nos.18 & 20, Jalan Sulaiman, 43000, Kajang, Selangor
Description	KFC Restaurant
Year of Completion	1982
Title	GN 45688 & 45689, Lot No. 62 & 63 Seksyen 7 situated in Bandar Kajang, Daerah Ulu Langat, Selangor
Tenure	Freehold
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 9,700,000
Date of Latest Valuation	31 December 2017

Location	Premises Nos. 60 & 62, Jalan PJS 11/28A, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan
Description	KFC Restaurant
Year of Completion	1996
Title	PN 72423, PN 72424 Lot No. 46464 and 46465 situated in Bandar Sunway, Daerah Petaling, Negeri Selangor HS(M) 9319, HS (M) 9320, Lot No. PT 17192 and PT 17193 situated in Mukim Damansara, Daerah Petaling, Negeri Selangor
Tenure	Leasehold 99 years expiring on 28 December 2092 and 11 March 2095
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 9,300,000
Date of Latest Valuation	31 December 2017



NEGERI SEMBILAN



Location	Premises No. 1, Jalan Mahajaya, Kawasan Penambakan Laut, Bandar Port Dickson, Negeri Sembilan Darul Khusus
Description	KFC Restaurant
Year of Completion	1997
Title	HS(D) 35190, PT NO.654 situated in Bandar & Daerah Port Dickson, Negeri Sembilan
Tenure	Leasehold 74 years expiring 8 May 2085
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 1,700,000
Date of Latest Valuation	31 December 2017



WILAYAH PERSEKUTUAN KUALA LUMPUR

Location	Lot 59060, Jalan Prima 1, Metro Prima, Off Jalan Kepong, 52100 Kuala Lumpur
Description	Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility
Year of Completion	2005
Title	PN (WP) 33135, Lot 59060 situated in Mukim Batu, Kuala Lumpur, Federal Territory Kuala Lumpur
Tenure	Leasehold 96 years expiring on 28 April 2096
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 15,500,000
Date of Latest Valuation	31 December 2017

Location	Lot 14083, Jalan Kuchai Lama, 58200 Kuala Lumpur
Description	Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility
Year of Completion	2008
Title	PN (WP) 1421, Lot 14083 situated in Mukim Petaling, Kuala Lumpur, Federal Territory Kuala Lumpur
Tenure	Leasehold 99 years expiring on 8 February 2064
Encumbrances	Charged to RHB Islamic Bank Berhad
Market Value	RM 14,300,000
Date of Latest Valuation	31 December 2017



Location	PT No. 6878, Jalan 8/27A, Pusat Bandar Wangsa Maju, 53300 Kuala Lumpur
Description	Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility
Year of Completion	2004
Title	HS(D) 99750, PT No. 6878 (New Lot 28333) situated in Mukim Setapak, Daerah Kuala Lumpur, Federal Territory Kuala Lumpur
Tenure	Leasehold 83 years expiring on 19 April 2083
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 26,000,000
Date of Latest Valuation	31 December 2017

FOOD & BEVERAGE : RESTAURANTS - CONT'D

JOHOR



Location	No. 1 & 1-1, Jalan Niaga, Pusat Perniagaan Jalan Mawai, 81900 Kota Tinggi, Johor
Description	Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility
Year of Completion	2004
Title	PN74196, Lot 20473 situated in Bandar & Daerah Kota Tinggi, State of Johor
Tenure	Leasehold 99 years expiring on 14 May 2085
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 820,000
Date of Latest Valuation	31 December 2017

Location	No. 1, Jalan Bandar Baru 1, Pusat Bandar Baru Ayer Hitam, 86100 Ayer Hitam, Johor
Description	KFC Restaurant
Year of Completion	2011
Title	HSD 57587, PTD 19773 situated in Mukim of Sri Gading, Daerah Batu Pahat, Johor
Tenure	Leasehold 93 years expiring on 16 July 2101
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 2,000,000
Date of Latest Valuation	31 December 2017



Location	No. 3, 3A & 3B, Jalan Resam 13, Taman Bukit Tiram, 81800 Ulu Tiram, Johor
Description	PHD Restaurant
Year of Completion	2010
Title	GRN 343903, Lot 107789 situated in Mukim of Tebrau, Daerah Johor Bahru, Johor
Tenure	Freehold
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 860,000
Date of Latest Valuation	31 December 2017



Location PTD 103231, Taman Impian Senai, 81400 Senai, Johor
 Description Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility
 Year of Completion 2014
 Title HS(D) 58402, PTD 103231 situated in Mukim Senai, Daerah Kulaijaya, Johor
 Tenure Freehold
 Encumbrances Private caveat by RHB Islamic Bank Berhad
 Market Value RM 8,400,000
 Date of Latest Valuation 31 December 2017

Location PTD 153154, Jalan Tampoi, Taman Damansara Aliff, 81200 Johor Bahru
 Description Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility
 Year of Completion 2009
 Title HSD 491589, PTD 153154 situated in Mukim Tebrau, Daerah Johor Bahru, Johor
 Tenure Freehold
 Encumbrances Private caveat by RHB Islamic Bank Berhad
 Market Value RM 12,000,000
 Date of Latest Valuation 31 December 2017



Location PTD No. 171459, Jalan Persisiran Perling, Taman Perling, 81200 Johor Bahru, Johor
 Description Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility
 Year of Completion 2012
 Title HS(M) 2181, PTD 171459 situated in Mukim Pulai, Daerah Johor Bahru, Johor
 Tenure Freehold
 Encumbrances Private caveat by RHB Islamic Bank Berhad
 Market Value RM 13,500,000
 Date of Latest Valuation 31 December 2017

FOOD & BEVERAGE : RESTAURANTS - CONT'D



PULAU PINANG

Location	Premises No. 34, Jalan Mahsuri, Bandar Bayan Baru, 11950 Bayan Lepas, Pulau Pinang
Description	KFC Restaurant
Year of Completion	1993
Title	PN 2263, Lot No 9538 situated in Mukim 12, Daerah Barat Daya, Pulau Pinang
Tenure	Leasehold 99 years expiring on 15 May 2090
Encumbrances	Private caveat by RHB Islamic Bank Berhad TNB lease
Market Value	RM 3,900,000
Date of Latest Valuation	31 December 2017

Location	Unit No. GF-12A, Queensbay Mall, 100, Persiaran Bayan Indah, 11900 Bayan Lepas, Pulau Pinang
Description	KFC Restaurant
Year of Completion	2008
Title	GRN 97433/M1/1/126, Strata Lot No. 15736 situated in Mukim 12, Daerah of Barat Daya, Pulau Pinang
Tenure	Freehold
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 13,100,000
Date of Latest Valuation	31 December 2017



Location	Unit No. 3A-G-18, Kompleks Bukit Jambul, Jalan Rumbia, 11900 Bayan Lepas, Pulau Pinang
Description	KFC Restaurant
Year of Completion	2008
Title	Parent Title no. GRN 16607, Parent Lot No 9954 situated in Mukim 13, Daerah Timor Laut, Pulau Pinang
Tenure	Freehold
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 2,800,000
Date of Latest Valuation	31 December 2017



Location	Unit No. G-103, Megamall Pinang Shopping Complex, No. 2828, Jalan Baru, Bandar Perai Jaya, 13700 Perai, Pulau Pinang
Description	KFC Restaurant
Year of Completion	1998
Title	Parent Title no.PN 2352, Parent Lot No 5659 situated in Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang
Tenure	Leasehold 99 years expiring 4 July 2094
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 2,700,000
Date of Latest Valuation	31 December 2017

Location	Unit No. G-104, Megamall Pinang Shopping Complex, No. 2828, Jalan Baru, Bandar Perai Jaya, 13700 Perai, Pulau Pinang
Description	KFC Restaurant
Year of Completion	1998
Title	Parent Title no.PN 2352, Parent Lot No 5659 situated in Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang
Tenure	Leasehold 99 years expiring on 4 July 2094
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 2,000,000
Date of Latest Valuation	31 December 2017



PERAK

Location	PT 217643, Jalan Kuala Kangsar, Daerah Kinta, Ipoh, Perak
Description	Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility
Year of Completion	2011
Title	Geran 140646, Lot 383044 situated in Mukim Hulu Kinta, Daerah Kinta, Perak
Tenure	Freehold
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 8,600,000
Date of Latest Valuation	31 December 2017

FOOD & BEVERAGE NON-RESTAURANTS

INDUSTRIAL PREMISES



Location	Premises No. 3, Lorong Gerudi 1, Off Jalan Pelabuhan Utara, 42000 Pelabuhan Klang, Selangor Darul Ehsan
Description	Warehouse
Year of Completion	1996
Title	PN 11243, Lot 9 Section 21 situated in Bandar Port Swettenham, Daerah Klang, Selangor
Tenure	Leasehold 99 years expiring on 15 March 2087
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 47,000,000
Date of Latest Valuation	31 December 2017

Location	Premises No. 6, Jalan Gerudi, Off Jalan Pelabuhan Utara, 42000 Pelabuhan Klang, Selangor Darul Ehsan
Description	Factory / Warehouse
Year of Completion	2004
Title	PN 8616, lot 59560 Section 21 situated in Bandar Port Swettenham, Daerah Klang, Selangor
Tenure	Leasehold 99 years expiring on 15 March 2087
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM 27,000,000
Date of Latest Valuation	31 December 2017



Location	No 17, 19 & 21, Jalan Pemaju U1/15, Seksyen U1, Hicom Glenmarie Industrial Park, 40000 Shah Alam, Selangor
Description	Warehouse / Bakery / Commissary
Year of Completion	1998
Title	GRN 215115, Lot 61718 situated in Bandar Glenmarie, Daerah Petaling, Selangor
Tenure	Freehold
Encumbrances	Charged to RHB Islamic Bank Berhad
Market Value	RM 55,400,000
Date of Latest Valuation	31 December 2017



Location	Premises No. 31, Lorong IKS Juru 3, Taman IKS Juru, 14100 Simpang Ampat, Pulau Pinang
Description	Commissary
Year of Completion	1997
Title	GRN 149808, Lot No 3499 situated in Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang
Tenure	Freehold
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM1,400,000
Date of Latest Valuation	31 December 2017

Location	Lot 5, Lorong Tembaga 3, Kawasan MIEL, KKIP Selatan, Kota Kinabalu Industrial Park, Menggatal, 88450 Kota Kinabalu, Sabah
Description	Factory
Year of Completion	1999
Title	Parent Title no. Country Lease 015580097, Parent Lot 20 situated in Developer's Lot No. 5, Lorong Tembaga Tiga, Kawasan MIEL, KKIP Selatan (<i>Formerly known as Kota Kinabalu Export Oriented Industrial Zone, K.K.I.P Sepangar Bay</i>)
Tenure	Leasehold 99 years expiring on December 2096
Encumbrances	Private caveat by RHB Islamic Bank Berhad
Market Value	RM3,000,000
Date of Latest Valuation	31 December 2017



MALAYSIAN COLLEGE OF HOSPITALITY & MANAGEMENT

Location	No.1, Jalan Dato' Onn 1, Bandar Dato' Onn 81100 Johor Bahru, Johor Darul Takzim
Description	A four (4)-Storey College Building
Year of Completion	2010
Title	Lot No: PTD 180682, Title No.: H.S (D) 539995 situated in Mukim of Tebrau, Daerah Johor
Tenure	Freehold
Encumbrances	Charged to RHB Islamic Bank Berhad
Market Value	RM 29,000,000
Date of Latest Valuation	31 December 2017