

AMANAHRAYA ■ REIT

RESILIENCE THROUGH STRATEGIC AGILITY

ANNUAL REPORT 2023



PERFORMANCE AT A GLANCE

(As at 31 December 2023)

No. of Properties Owned

12
PROPERTIES

Total Asset Value (TAV)

RM1.399
Billion

Gearing Ratio

39.9%

Sector



Office



Education



Industrial



Retail



Hospitality

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ANNUAL GENERAL MEETING



Date

18 April 2024, Thursday



Time

10.00 a.m.



Broadcast Venue

First Floor, Wisma AmanahRaya

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• Instrument of Proxy



Digital Reports
Available in

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CG



AmanahRaya REIT is committed to making a difference in the environment. Play your part by opting to download a softcopy of our reports at <https://www.amanahrayareit.com.my> or by scanning the QR code.

52%

OFFICE

Total FMV

RM710.5 Million

Total Revenue

RM28.2 Million

VISTA TOWER

DANA 13

WISMA COMCORP

CONTRAVES

25%

EDUCATION

Total FMV

RM334.0 Million

Total Revenue

RM24.6 Million

SEGi UNIVERSITY

HELP UNIVERSITY

SEGi COLLEGE

4%

INDUSTRIAL

Total FMV

RM57.8 Million

Total Revenue

RM1.7 Million

RHF STONE FACTORY

TOSHIBA TEC

10%

RETAIL

Total FMV

RM139.0 Million

Total Revenue

RM14.9 Million

SELYANG MALL

9%

HOSPITALITY

Total FMV

RM129.7 Million

Total Revenue

RM2.9 Million

HOLIDAY VILLA LANGKAWI

EX-HOLIDAY VILLA ALOR SETAR



Abbreviation: FMV - Fair Market Value

Corporate Directory

MANAGER

AmanahRaya-Kenedix REIT
Manager Sdn. Bhd.
Registration No. 200901013113
(856167-A)
(Incorporated in Malaysia)

MANAGER'S REGISTERED OFFICE

Level 11, Wisma AmanahRaya
No. 2, Jalan Ampang
50508 Kuala Lumpur
Tel. No. : 03 2075 7388
Fax No. : 03 2078 8187

PRINCIPAL PLACE OF BUSINESS

Level 46, Vista Tower
The Intermark
348 Jalan Tun Razak
50400 Kuala Lumpur
Tel. No. : 03 2380 0606

AUDIT COMMITTEE

Aida Mosira Binti Mokhtar
(Chairperson)
(Re-designated as Chairperson w.e.f. 1 December 2023)

Wan Azman Bin Ismail
(Re-designated as Member w.e.f. 1 December 2023)

Dato' Mohammed Noor Azmall
Bin Jamaluddin
(Appointed w.e.f. 1 January 2024)

Nguyen Thi Hoang Hanh

BOARD OF DIRECTORS OF THE MANAGER

Independent Non-Executive Directors

Wan Azman Bin Ismail

Dato' Mohammed Noor Azmall
Bin Jamaluddin

Aida Mosira Binti Mokhtar

Non-Independent Executive Director

YM Tunku Rozita Binti
Tunku Abdul Malek

Non-Independent Non-Executive Directors

Datuk Mohd Radzif Bin Mohd Yunus
(Chairman)

Shahlan Bin Md Shukor @ Kadari

Naoto Kojima

Nguyen Thi Hoang Hanh

Ahmad Feizal Bin Sulaiman Khan
(Appointed w.e.f. 4 January 2024)

Mohd Iskandar Dzulkarnain
Bin Ramli
(Alternate Director to Ahmad Feizal
Bin Sulaiman Khan)
(Appointed w.e.f. 2 February 2024)

INVESTMENT AND TENDER COMMITTEE (NEW COMMITTEE W.E.F. 1 DECEMBER 2023)

Wan Azman Bin Ismail
(Chairman)

Dato' Mohammed Noor Azmall
Bin Jamaluddin

Shahlan Bin Md Shukor @ Kadari

Naoto Kojima

Nguyen Thi Hoang Hanh
(Appointed w.e.f. 1 January 2024)

RISK MANAGEMENT AND COMPLIANCE COMMITTEE (NEW COMMITTEE W.E.F. 1 DECEMBER 2023)

Dato' Mohammed Noor Azmall
Bin Jamaluddin
(Chairman)

Aida Mosira Binti Mokhtar

Shahlan Bin Md Shukor @ Kadari

Naoto Kojima

Corporate Directory

COMPANY SECRETARIES OF THE MANAGER

Jerry Jesudian s/o Joseph Alexander
(MAICSA 7019735)
(SSM PC No. 201908003018)

Rizana Binti Ahmad Rithauddeen
(LS 0009663)
(SSM PC No. 20191224000019)

Leong Shiak Wan
(MAICSA 7012855)
(SSM PC No. 202008002757)

MANAGEMENT TEAM

YM Tunku Rozita Binti
Tunku Abdul Malek
Managing Director

Yusoff Iskandar Bin Mohd Zaki
Chief Operating Officer

Sr Anuar Bin Husin
Chief Investment Officer
(Appointed w.e.f. 1 June 2023)

Kamarul Azman Bin Kamarozaman
@ Amir
Chief Financial Officer
(Appointed w.e.f. 6 September 2023)

Khalijah Sabariah Binti Amin Tajudin
Chief Compliance and Legal Officer
(Appointed w.e.f. 1 December 2023)

TRUSTEE

Pacific Trustees Berhad
Registration No. 199401031319
(317001-A)
Unit A-11-8th, 11th Floor
Megan Avenue 1
189 Jalan Tun Razak
Off Persiaran Hampshire
50400 Kuala Lumpur
Wilayah Persekutuan
Tel. No. : 03 2166 8830
Fax No. : 03 2166 3830

REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars
Sdn. Bhd.
Registration No. 199601006647
(378993-D)
11th Floor
Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel. No. : 03 7890 4700
Fax No. : 03 7890 4670

PROPERTY MANAGERS

Knight Frank Property Management
Sdn. Bhd.
Registration No. 201601040834
(1211775-H)
Suite 13B, Level 13
Vista Tower
The Intermark
348 Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan
Tel. No. : 03 2161 3566
Fax No. : 03 2162 1408

CBRE WTW Property Services
Sdn. Bhd.
Registration No. 197301003477
(0016955-A)
Management Office Level 1
Menara Dana 13
Pusat Dagangan 1
Jalan PJU 1A/46 47301
Petaling Jaya
Selangor Darul Ehsan
Tel. No. : 03 7499 0082

IM Global Property Consultants
Sdn. Bhd.
Registration No. 200501019108
(701223-X)
No. 47-2, 2nd Floor Wisma IMG
Jalan 3/76 D Desa Pandan
55100 Kuala Lumpur
Wilayah Persekutuan
Tel. No. : 03 9284 8884
Fax No. : 03 9281 1884

AUDITOR

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8 First Avenue Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel. No. : 03 7721 3388
Fax No. : 03 7721 3399

FINANCIERS

Public Bank Berhad
Registration No. 196501000672
(6463-H)
Menara Public Bank
146, Jalan Ampang
50450 Kuala Lumpur
Wilayah Persekutuan
Tel. No. : 03 2176 6341
Fax No. : 03 2163 9917

BURSA MALAYSIA STOCK CODE

ARREIT 5127
(Listed on the Main Board on
26 February 2007)

What We Do

ABOUT AMANAHRAYA REIT

AmanahRaya Real Estate Investment Trust ("AmanahRaya REIT" or "the Trust") is a Malaysia domiciled real estate investment trust constituted pursuant to the Trust Deed dated 10 October 2006 (as varied by the Supplemental Trust Deed dated 4 January 2007, the Novation Agreement dated 27 August 2009 and the Second Supplemental Trust Deed dated 27 August 2009) (collectively be referred to as "the Trust Deed") between AmanahRaya-Kenedix REIT Manager Sdn. Bhd. ("the Manager") and CIMB Islamic Trustee Berhad ("the Trustee"). The Trust Deed is regulated by the Securities Commission's Guidelines on Listed Real Estate Investment Trusts, the Listing Requirements of Bursa Malaysia Securities Berhad, the Rules of the Depository and taxation laws and rulings. AmanahRaya REIT will continue its operations until such time as determined by the Trustee and the Manager as provided under the provision of Clause 26 of the Trust Deed dated 10 October 2006.

AmanahRaya REIT is listed on the Main Market of Bursa Malaysia Securities Berhad. On 13 May 2019, the Manager, CIMB Islamic Trustee Berhad and Pacific Trustees Berhad entered into a Supplementary Deed to effect the change of trustee of AmanahRaya REIT from CIMB Islamic Trustee Berhad to Pacific Trustees Berhad ("the Trustee"). The change of trustee took effect on 21 May 2019 upon registration with the Securities Commission and lodgement was made on 24 May 2019.

Subsequently, the Manager has entered into an Amended and Restated Trust Deed dated 5 December 2019 with the Trustee which has been registered and lodged with the Securities Commission on 10 January 2020 and 16 January 2020 respectively in compliance with the amendments made to the Securities Commission's Guidelines on Listed Real Estate Investment Trusts. The Amended and Restated Trust Deed dated 5 December 2019 supersedes the Trust Deed.



For more information about us, please visit <https://www.amanahrayareit.com.my> or scan the QR code beside.



ABOUT AMANAHRAYA-KENEDIX REIT MANAGER SDN. BHD.

AmanahRaya-Kenedix REIT Manager Sdn. Bhd. ("the Manager"), (License No: CMSL/A0309/2013) is a jointly owned entity by Amanah Raya Berhad and KDA Capital Malaysia Sdn. Bhd. ("KDA Capital"). The Manager was formed on 8 May 2009 and took over the management of AmanahRaya REIT from AmanahRaya Investment Management Sdn. Bhd. on 27 August 2009. Kenedix Asia Pte. Ltd. via KDA Capital became the first Japanese firm to invest in a Malaysian REIT with the acquisition of 15% of the units of AmanahRaya REIT. KDA Capital also bought 49% of the shares of the Manager with Amanah Raya Berhad maintaining the controlling stake of 51% of the shares of the Manager.

The Manager is principally responsible for the management of AmanahRaya REIT investment strategies to meet its investment objectives. Its primary investment objective is to provide and administer AmanahRaya REIT on behalf of the unitholders in accordance with the Amended and Restated Deed dated 5 December 2019 and the Guidelines on Listed Real Estate Investment Trusts by the Securities Commission and Bursa Malaysia Securities Berhad. The Manager's main role is to ensure stable and sustainable return to AmanahRaya REIT unitholders.



Salient Features of AmanahRaya REIT



FUND CATEGORY

Real Estate Investment Trust



FUND TYPE

Income and Growth



DURATION OF FUND/ TERMINATION DATE

The earlier of:

- The occurrence of any termination events set out under the provisions of the Trust Deed
- 80 years after 20 October 2006 or until such further period as the law may permit



APPROVED FUND SIZE

573,219,858



INVESTMENT OBJECTIVE

To provide unitholders with stable and growth potential returns over a long term period



PERFORMANCE BENCHMARK

- Management expense ratio
- Total returns
- Average annual return
- Distribution yield
- Net asset value (NAV)



DISTRIBUTION POLICY

- Semi-annual income distribution
- Distribution of at least 90% (or such percentage as determined by the Manager at its absolute discretion)



REVALUATION POLICY

The investment properties is revalued annually by the registered independent valuers



FINANCIAL YEAR END

31 December



LISTING

Main Market of Bursa Malaysia Securities Berhad



STOCK NAME

ARREIT



STOCK CODE

5127



DATE OF LISTING

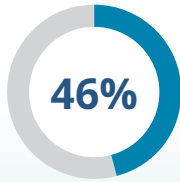
26 February 2007



INITIAL PUBLIC OFFERING PRICE

- RM0.895 - retail
- RM0.94 - institutional

AmanahRaya REIT'S Structure



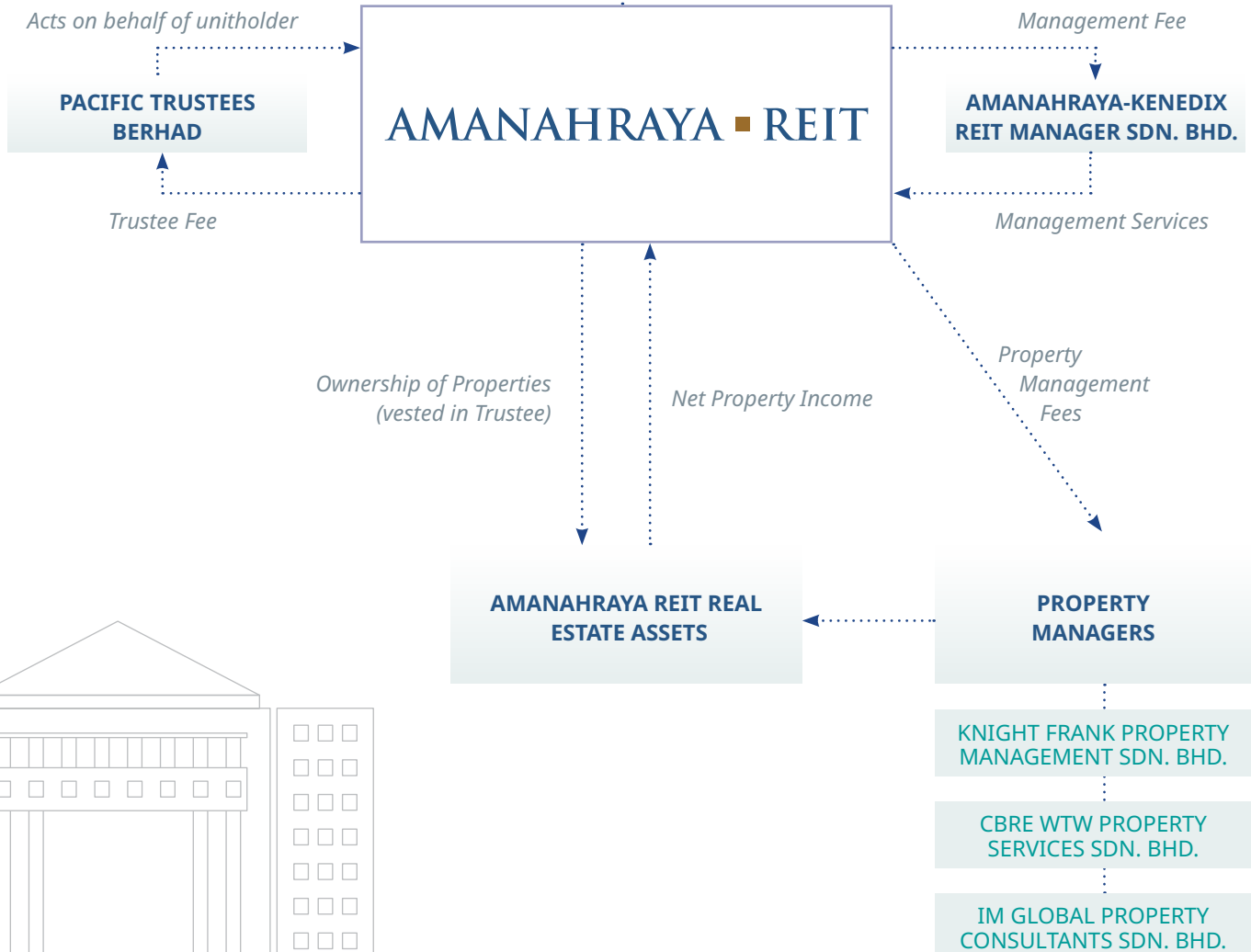
**AMANAH RAYA BERHAD
FOR KUMPULAN WANG BERSAMA**



**KDA CAPITAL
MALAYSIA SDN. BHD.**



**OTHER
UNITHOLDERS**



Manager's Structure



Organisation Chart



Financial Highlights

Snapshot of AmanahRaya REIT as at 31 December 2023

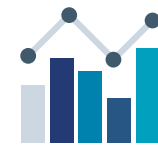
TOTAL ASSET VALUE (TAV)

RM1.399 BIL



PRICE AS AT 31 DEC 2023

RM0.40 SEN (PER UNIT)



MARKET CAPITALISATION

RM226,421,844



TOTAL NO. OF PROPERTIES

12



TOTAL UNIT ISSUED

573,219,858



TRADING VOLUME (UNIT)
(JAN-DEC 2023)

25,496,200



NET ASSET VALUE (NAV) PER UNIT

RM1.266



DPU 2023 (SEN)

1.198



GEARING RATIO

39.92%



LOWEST PRICE 2023 HIGHEST PRICE 2023

RM0.40

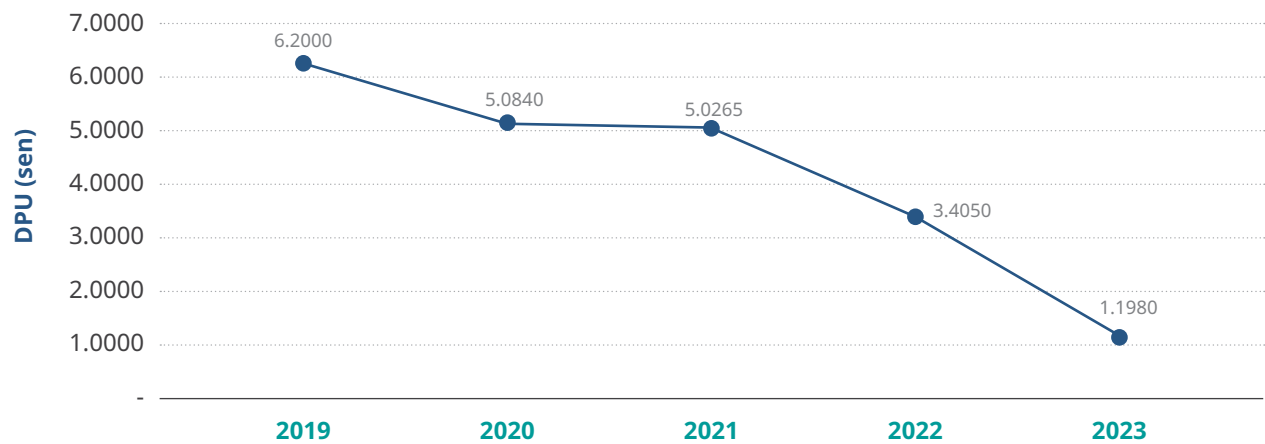
RM0.60



Financial Highlights

Snapshot of AmanahRaya REIT as at 31 December 2023

Distribution Per Unit (sen)



AmanahRaya REIT Volume vs Price

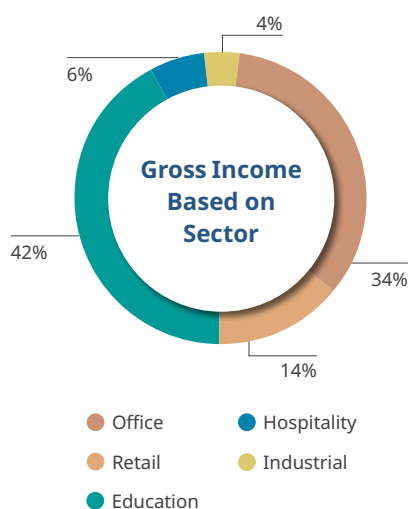
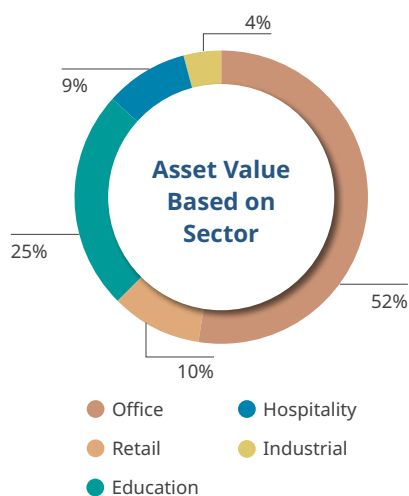
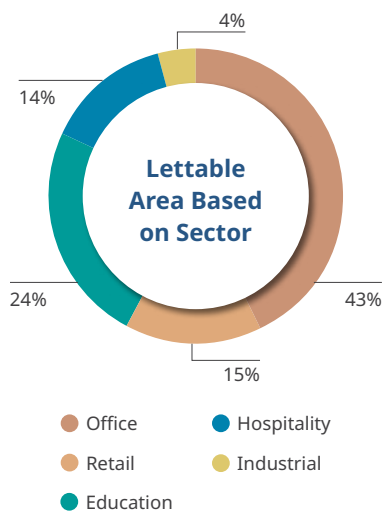


Asset Under Management

Real Estate(s)	Location	Type of Building	Cost of Acquisition (RM '000)	Appreciation in Value (RM '000)	Occupancy	Unexpired Lease / Tenancy Period (approximate)	Investment in Real Estate Value* (RM '000) (a)	Value over Total Asset Value (%) (a/b)
Office								
Wisma Comcorp	Glenmarie, Shah Alam	Office Building	30,000	6,800	65%	Multiple Period	36,800	2.63%
Dana 13, Dana 1 Commercial Centre	Ara Damansara, Petaling Jaya, Selangor	Office Building	99,120	11,880	45%	Multiple Period	111,000	7.93%
Vista Tower	The Intermark, Kuala Lumpur	Office Building	455,000	66,000	35%	Multiple Period	521,000	37.24%
Contraves	Cyberjaya, Selangor	Office Building	40,000	2,500	100%	0.25 yrs	42,500	3.04%
Education								
SEGi College, Subang Jaya	Subang Jaya, Selangor	Higher Education Building	52,500	17,500	100%	0.17 yrs	70,000	5.00%
SEGi University College, Kota Damansara	Petaling Jaya, Selangor	Higher Education Building	145,000	41,000	100%	4.01 yrs	186,000	13.30%
HELP University, Jalan Semantan	Damansara Heights, Kuala Lumpur	Higher Education Building	53,000	25,100	100%	15.76 yrs	78,100	5.58%
Industrial								
RHF Stone Factory	Nusajaya, Johor	Industrial Factory	24,000	2,850	100%	4.62 yrs	26,850	1.92%
Toshiba TEC	Glenmarie, Shah Alam	Office Building	32,000	-1,000	Vacant	Vacant	31,000	2.22%
Retail								
Selayang Mall	Selayang, Selangor	Retail Mall	128,165	10,835	96%	Multiple Period	139,000	9.94%
Hospitality								
Holiday Villa Alor Setar *	Alor Setar, Kedah	Hotel	31,000	-6,000	Vacant	Vacant	25,000	1.79%
Holiday Villa Langkawi *	Langkawi, Kedah	Resort Hotel	55,000	45,000	100%	2.53 yrs	100,000	7.15%
Real Estate-Related Assets							1,367,250	97.73%
Cash and Security Deposits							26,620	1.90%
Others (Trade and Other Receivables)							5,074	0.36%
Total Asset Value (RM '000) (b)							1,398,944	100.00%

* Classified as assets held for sale

Property Portfolio



TOP PROPERTIES: GROSS RENTAL INCOME

Vista Tower, KL



2023:
RM15.65 mil

2022 : RM19.55 mil

2021 : RM26.95 mil

SEGi University, Kota Damansara



2023:
RM14.36 mil

2022 : RM12.92 mil

2021 : RM13.88 mil

Selayang Mall



2023:
RM14.18 mil

2022 : RM12.26 mil

2021 : RM10.73 mil

Help University



2023:
RM5.44 mil

2022 : RM4.97 mil

2021 : RM5.70 mil

Dana 13



2023:
RM5.32 mil

2022 : RM5.08 mil

2021 : RM6.57 mil

Overview of





Properties under AmanahRaya REIT

Property Profiles



VISTA TOWER, KUALA LUMPUR

Vista Tower, The Intermark, 348 Jalan Tun Razak, 50400 Kuala Lumpur.

Carrying Amount

RM521.0 million

Total Land Area

228,948 sq.ft.

Net Lettable Area

544,118 sq.ft.

Gross Built-up Area

776,196 sq.ft.

Description

A 63 office tower with 3 basement levels B1 to B3 identified as Vista Tower together with 914 car park bays which forms part of the integrated commercial development known as The Intermark, Kuala Lumpur.

Location

The property is located within The Intermark development at Jalan Tun Razak. The Intermark is located approximately 1.3 kilometres north east of Kuala Lumpur City Centre.

Title Details

Lot No. 20000, Seksyen 43 held under Title No. Geran 75638, Bandar Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur.

Valuation as at
31 December 2023

RM521,000,000.00

Portfolio Details

Property Type

Office tower

Age of Property

Approximately 29 years

Tenure

Freehold

Tenancy Period

Multi-tenanted

Existing Use

Office building

Parking Spaces

914 car park bays on the basement level identified as B1 to B3

Date of Acquisition

16 January 2018

Cost of Acquisition

RM455,000,000.00

Valuer

Raine & Horne International Zaki + Partners Sdn. Bhd.

Master Lessee

-

Property Manager

Knight Frank Property Management Sdn. Bhd.

Occupancy Rate

35%

Property Profiles



SEGi UNIVERSITY, KOTA DAMANSARA

SEGi University (Malaysia Main Campus), No. 9, Jalan Teknologi, Taman Sains Selangor, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor.

Carrying Amount

RM186.0 million

Total Land Area

425,605 sq.ft.

Net Lettable Area

Not Applicable

Gross Floor Area

577,000 sq.ft.

Description

An institutional complex comprising of 1 block of 7-storey administrative building and one block of 5-storey academic building.

Location

SEGi University is located within a new development known as Taman Sains Selangor 1, an emerging high-technology industry estate in Kota Damansara. Kota Damansara is an integrated self-contained township developed by Selangor State Development Corporation (PKNS) located approximately 25 kilometres to the west of Kuala Lumpur city centre.

Title Details

H.S. (D) 255765, P.T. 12171, Pekan Baru Sungai Buloh, District of Petaling, State of Selangor.

Valuation as at
31 December 2023

RM186,000,000.00

Portfolio Details

Property Type

Institutional building

Age of Property

Approximately 17 years

Tenure

Leasehold for 99 years

Unexpired Lease

85 years

Lease Period

5+5 years commencing from January 2018

Existing Use

A college campus under the brandname of SEGi

Parking Spaces

334 car parking bays and 1,031 motorcycle parking bays

Date of Acquisition

28 December 2007

Cost of Acquisition

RM145,000,000.00

Valuer

Raine & Horne International Zaki + Partners Sdn. Bhd.

Master Lessee

SEG International Bhd.

Property Manager

IM Global Property Consultants Sdn. Bhd.

Occupancy Rate

100%

Property Profiles



HELP UNIVERSITY, JALAN SEMANTAN

HELP University, No. 15, Jalan Sri Semantan 1, Damansara Heights, 50490 Kuala Lumpur.

Carrying Amount

RM78.1 million

Total Land Area

35,387 sq.ft.

Net Lettable Area

125,227 sq.ft.

Gross Floor Area

170,000 sq.ft.

Description

A 5-storey purpose-built office building with 6 lower ground levels inclusive of a 4-level car park.

Location

HELP University is located in the commercial corner of Damansara Heights approximately 4 kilometres to the south-west of Kuala Lumpur city centre.

Title Details

H.S. (D) 83465, P.T. 6 and P.N. 46441, Lot 36622, both in Mukim and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

Valuation as at
31 December 2023

RM78,100,000.00

Portfolio Details

Property Type

Office building

Age of Property

Approximately 24 years

Tenure

Leasehold for 99 years

Unexpired Lease

- HSD 83465 - 50 years
- PN 46441 - 50 years

Lease Period

25 years commencing from September 2014

Existing Use

A higher learning institution and training centre under the brand name of Help University

Parking Spaces

261 parking bays

Date of Acquisition

26 February 2007

Cost of Acquisition

RM53,000,000.00

Valuer

First Pacific Valuers Property Consultants Sdn. Bhd.

Master Lessee

Help University Sdn. Bhd.

Property Manager

Knight Frank Property Management Sdn. Bhd.

Occupancy Rate

100%

Property Profiles



SEGi COLLEGE, SUBANG JAYA

SEGi College, Persiaran Kewajipan USJ 1, 47600 Subang Jaya, Selangor Darul Ehsan.

Carrying Amount

RM70.0 million

Total Land Area

61,042 sq.ft.

Net Lettable Area

131,387 sq.ft.

Gross Floor Area

280,575 sq.ft.

Description

A 12-storey purpose-built commercial building with 3 basement car park levels.

Location

It is located within the Commercial Business Districts of Subang Jaya in USJ 1. Subang Jaya is an integrated mixed development, comprising residential, commercial and industrial developments located about 15 kilometres to south-west of Kuala Lumpur city centre.

Title Details

Geran 313189, Lot No. 13, Pekan Subang Jaya, District of Petaling, State of Selangor.

Valuation as at
31 December 2023

RM70,000,000.00

Portfolio Details

Property Type

Higher education building

Age of Property

Approximately 18 years

Tenure

Freehold

Lease Period

15 years commencing from
May 2006

Existing Use

A higher learning institution and
training centre under the brand
name of SEGi College

Parking Spaces

206 parking bays and 400
motorcycle parking bays

Date of Acquisition

26 February 2007

Cost of Acquisition

RM52,500,000.00

Valuer

Raine & Horne International Zaki
+ Partners Sdn. Bhd.

Master Lessee

SEG International Bhd.

Property Manager

IM Global Property Consultants
Sdn. Bhd.

Occupancy Rate

100%

Property Profiles



Valuation as at
31 December 2023

RM111,000,000.00

Portfolio Details

Property Type

Office building

Age of Property

Approximately 14 years

Tenure

Leasehold for 99 years

Unexpired Lease

74 years

Lease Period

Multi-tenanted

Existing Use

Office Block with MSC status

Parking Spaces

The property has been allocated with 300 bays within Dana 1 Commercial Centre

Date of Acquisition

7 May 2010

Cost of Acquisition

RM99,120,000.00

Valuer

Raine & Horne International Zaki + Partners Sdn. Bhd.

Property Manager

CBRE WTW Property Services Sdn. Bhd.

Occupancy Rate

45%

DANA 13, DANA 1 COMMERCIAL CENTRE, PETALING JAYA

Dana 13, Dana 1 Commercial Centre, Jalan PJU 1A/46, Off Jalan Lapangan Terbang Subang, 47301 Petaling Jaya, Selangor Darul Ehsan.

Carrying Amount

RM111.0 million

Gross Floor Area

324,086 sq.ft.

Net Lettable Area

250,814 sq.ft.

Description

A 13-storey stratified office building which forms part of Dana 1 Commercial Centre.

Location

The property is located within Dana 1 Commercial Centre, a newly completed commercial development which comprises of 152 units of two to five storey shop offices and a 13-storey stratified office building with basement car park level as well as a serviced apartment block, about 35 kilometres south-west of Kuala Lumpur city centre.

Title Details

Developed on the Parent Lot 59214, Mukim of Damansara, District of Petaling, State of Selangor, held under Master Title No. PN 8024. **(now known as Lot 92782 held under Title No. PN114692, Mukim Damansara, District of Petaling Jaya, State of Selangor.)**

Property Profiles



WISMA COMCORP, SHAH ALAM

No. 37, Jalan Pelukis U1/46, Section U1, Temasya Industrial Park, Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan.

Carrying Amount

RM36.8 million

Total Land Area

55,090 sq.ft.

Net Lettable Area

80,523 sq.ft.

Gross Built-up Area

116,473 sq.ft.

Description

A free standing 5-storey workshop cum office building with a single level basement car park.

Location

The property is located within Temasya Industrial Park in Glenmarie, Shah Alam. Glenmarie is located about 1.5 kilometres to the north-west of Subang Jaya town centre and about 8 kilometres to the east of Shah Alam city centre.

Title Details

Lot 52802 held under Title No. GRN 86648, Town of Glenmarie, District of Petaling, State of Selangor.

Valuation as at
31 December 2023

RM36,800,000.00

Portfolio Details

Property Type

Office building

Age of Property

Approximately 19 years

Tenure

Freehold

Lease Period

Multi-tenanted

Existing Use

Workshop cum office

Parking Spaces

65 parking bays provided in the basement and within the compound of the site

Date of Acquisition

23 April 2014

Cost of Acquisition

RM30,000,000.00

Valuer

First Pacific Valuers Property Consultants Sdn. Bhd.

Property Manager

CBRE WTW Property Services Sdn. Bhd.

Occupancy Rate

65%

Property Profiles



CONTRAVES BUILDING, CYBERJAYA

Block 3502, Enterprise Building 2 (EB2), Jalan Teknokrat 5, Cyber 5, 63000 Cyberjaya, Selangor.

Carrying Amount

RM42.5 million

Total Land Area

89,459 sq.ft.

Net Lettable Area

75,014 sq.ft.

Gross Built-up Area

93,804 sq.ft.

Description

A 4-storey purpose-built office building with 1 basement level.

Location

The property is located within Cyber 5 in Cyberjaya, Selangor. Cyberjaya is located about 35 kilometres to the south-west of Kuala Lumpur city centre and about 5 kilometres to the north east of Putrajaya.

Title Details

Lot No. PT 12072 held under Title No. HSD 7061, Mukim of Dengkil, District of Sepang, State of Selangor.

Valuation as at
31 December 2023

RM42,500,000.00

Portfolio Details

Property Type

Office building

Age of Property

Approximately 24 years

Tenure

Freehold

Tenancy Period

3+3 years commencing from April 2018

Existing Use

Office building

Parking Spaces

113 numbers covered car park on the basement level and 64 numbers uncovered car parks on the ground floor

Date of Acquisition

16 June 2016

Cost of Acquisition

RM40,000,000.00

Valuer

First Pacific Valuers Property Consultants Sdn. Bhd.

Master Lessee

Contraves Sdn. Bhd.

Property Manager

Knight Frank Property Management Sdn. Bhd.

Occupancy Rate

100%

Property Profiles



TOSHIBA TEC, SHAH ALAM

No. 4, Jalan Saudagar U1/16, Hicom Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan.

Carrying Amount

RM31.0 million

Total Land Area

67,371 sq.ft.

Net Lettable Area

74,104 sq.ft.

Gross Built-up Area

76,186 sq.ft.

Description

A 4-storey office building cum warehouse.

Location

The property is located within HICOM Glenmarie Industrial Park in Shah Alam, Selangor. HICOM Glenmarie Industrial Park is located about 4.0 kilometres to the north-west of Subang Jaya town centre and about 14 kilometres to the south-west of Petaling Jaya city centre.

Title Details

Lot 61725 held under Title No. GRN 215122, Town of Glenmarie, District of Petaling, State of Selangor.

Valuation as at
31 December 2023

RM31,000,000.00

Portfolio Details

Property Type

Industrial

Age of Property

Approximately 19 years

Tenure

Freehold

Lease Period

6 years commencing from May 2016

Existing Use

Office

Parking Spaces

Available within the compound of the property

Date of Acquisition

25 March 2016

Cost of Acquisition

RM32,000,000.00

Valuer

First Pacific Valuers Property Consultants Sdn. Bhd.

Master Lessee

Toshiba Tec Malaysia Sdn. Bhd.
(Lease expired in May 2022)

Property Manager

IM Global Property Consultants Sdn. Bhd.

Occupancy Rate

Vacant

Property Profiles



Valuation as at
31 December 2023

RM26,850,000.00

Portfolio Details

Property Type

Industrial factory

Age of Property

Approximately 11 years

Tenure

Freehold

Lease Period

9+3 years commencing from
March 2019

Existing Use

Factory

Parking Spaces

Available within the compound of
the property

Date of Acquisition

20 April 2016

Cost of Acquisition

RM24,000,000.00

Valuer

Raine & Horne International Zaki
+ Partners Sdn. Bhd.

Master Lessee

RHF Stone Sdn. Bhd.

Property Manager

IM Global Property Consultants
Sdn. Bhd.

Occupancy Rate

100%

RHF STONE FACTORY, NUSAJAYA

No. 11, Jalan Bioteknologi 3, Kawasan Perindustrian SILC, 79200 Nusajaya, Johor.

Carrying Amount

RM26.85 million

Total Land Area

130,685 sq.ft.

Net Lettable Area

95,035 sq.ft.

Gross Floor Area

95,035 sq.ft.

Description

A single storey factory annexed with three storey office building.

Location

The property is located within Southern Industries and Logistic Clusters (SILC) in Nusajaya, Johor. Nusajaya is located about 30 kilometres to the south-west of Johor Bahru city centre and about 4 kilometres to the north of Gelang Patah town centre.

Title Details

Lot PTD 6861 held under Title No. HSD 479596, Mukim of Jelutong, District of Johor Bahru, State of Johor.

Property Profiles



SELAYANG MALL, SELAYANG

Lot 384451, Jalan SU 9, Taman Selayang Utama, 68100 Batu Caves, Selangor Darul Ehsan.

Net Book Value

RM139.0 million

Total Land Area

175,744 sq.ft.

Net Lettable Area

365,834 sq.ft.

Gross Floor Area

868,305 sq.ft.

Description

4-storey retail space with 6-storey car park.

Location

The property is located within Taman Selayang Utama, a medium-sized housing scheme.

Generally, the neighbourhood comprises of a mixture of residential and commercial developments. Prominent landmarks in the neighbourhood include Selayang General Hospital, Forest Reserve Institute of Malaysia (FRIM), Selayang Municipal Council (MPS) and Gombak District Land Office.

Title Details

Lot 38451 held under Title No. PM 11660, Town of Selayang, District of Gombak, State of Selangor.

Valuation as at
31 December 2023

RM139,000,000.00

Portfolio Details

Property Type

Shopping mall

Age of Property

Approximately 27 years

Tenure

Leasehold for 99 years

Unexpired Lease

56 years

Existing Use

A shopping complex under the brand name of Selayang Mall

Parking Spaces

900 parking bays

Date of Acquisition

7 May 2010

Cost of Acquisition

RM128,165,000.00

Valuer

First Pacific Valuers Property Consultants Sdn. Bhd.

Net rental (per month)

Multi-tenanted

Property Manager

Knight Frank Property Management Sdn. Bhd.

Occupancy Rate

96%

Property Profiles



HOLIDAY VILLA, LANGKAWI

Lot 1698, Pantai Tengah, Mukim Kedawang, 07000 Langkawi, Kedah Darul Aman.

Carrying Amount

RM105.0 million

Total Land Area

427,672 sq.ft.

Net Lettable Area

Not Applicable

Gross Floor Area

183,190 sq.ft.

Description

A purpose-built 4-star resort hotel with 238-rooms and swimming pool and spa facilities.

Location

The property is located along one of the most popular beach known as Pantai Tengah. Along the same stretch are other notable hotel resorts including Langkawi Beach Resort, Sunset Beach Resort, Moonlight Bay Resort, Tanjung Mali Beach Resort and Pelangi Beach Resort. Langkawi International Airport is located 6 km to the north of the property.

Langkawi is one of the premier tourist destinations in Malaysia mainly due to its duty free zone status, beautiful beaches and historical sites.

Title Details

H.S. (M) 286, P.T. 344, (now known as Lot 2504, GM2100), Mukim of Kedawang, H.S. (M) 667, P.T. 107, Town of Padang Mat Sirat, H.S. (M) 668, P.T. 108, Town of Padang Mat Sirat, all in District of Langkawi, Kedah Darul Aman.

Valuation as at
31 December 2023

RM105,000,000.00

Portfolio Details

Property Type

Resort Hotel

Age of Property

Approximately 32 years

Tenure

Freehold

Lease Period

5+5 years commencing from
July 2016

Existing Use

A hotel under the brand name of
Hotel Holiday Villa

Parking Spaces

55 parking bays

Date of Acquisition

26 February 2007

Cost of Acquisition

RM55,000,000.00

Master Lessee

Langkawi Holiday Villa Sdn. Bhd.

Valuer

First Pacific Valuers Property
Consultants Sdn. Bhd.

Property Manager

IM Global Property Consultants
Sdn. Bhd.

Occupancy Rate

100%

Property Profiles



EX-HOLIDAY VILLA, ALOR SETAR

Lot 162 & 163, Jalan Tunku Ibrahim, 05000 Alor Setar, Kedah Darul Aman.

Carrying Amount

RM25.0 million

Gross Floor Area

150,000 sq.ft.

Description

A 21-storey hotel with 156-rooms with sub-basement level within a development also known as City Plaza.

Location

The property is located within the Central Business District of Alor Setar where several government and commercial buildings are located, including Majlis Bandaraya Alor Setar, Bangunan KWSP, Bangunan Simpanan Nasional, Menara Sentosa and Universiti Tun Abdul Razak.

Alor Setar is the capital city of Kedah and one of the region's oldest cities. It is a distribution center for manufacturing and agricultural products such as rice. Alor Setar is also the royal town of the Kedah State.

Title Details

Held under Master Title H.S. (D) 21920, P.T. 6282, H.S. (D) 21921, P.T. 6283, H.S. (D) 21922, P.T. 6284, all in Town of Alor Setar, District of Kota Setar, State of Kedah Darul Aman.

Valuation as at
31 December 2023

RM25,000,000.00

Portfolio Details

Property Type

Hotel

Age of Property

Approximately 28 years

Tenure of Master Title

Leasehold for 99 years

Unexpired Lease

Approximately 85 years (Master Title)

Tenancy Period

-

Existing Use

Vacant since 2018

Date of Acquisition

26 February 2007

Cost of Acquisition

RM31,000,000.00

Valuer

First Pacific Valuers Property Consultants Sdn. Bhd.

Master Lessee

Vacant since June 2018

Property Manager

Knight Frank Property Management Sdn. Bhd.

Occupancy Rate

Vacant

Board of Directors

**DATUK MOHD
RADZIF BIN
MOHD YUNUS**

Non-Independent
Non-Executive
Chairman



**SHAHLAN BIN
MD SHUKOR
@ KADARI**

Non-Independent
Non-Executive
Director



NAOTO KOJIMA

Non-Independent
Non-Executive
Director



**YM TUNKU ROZITA
BINTI TUNKU
ABDUL MALEK**

Non-Independent
Executive Director



**NGUYEN THI
HOANG HANH**

Non-Independent
Non-Executive
Director



Leadership Team Characteristics

Nationality



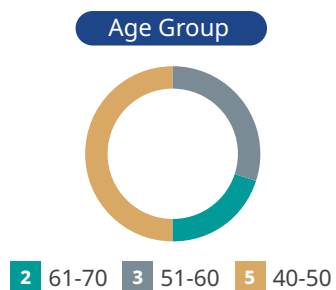
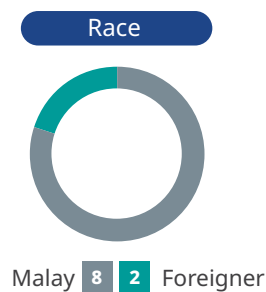
Malaysian 8 2 Foreigner

Gender



Male 7 3 Female

Board of Directors



- Audit Committee
- Investment and Tender Committee
- Risk Management and Compliance Committee

Profile of the Board of Directors

DATUK MOHD RADZIF BIN MOHD YUNUS

Non-Independent
Non-Executive Chairman

Malaysian | 66 | Male

Date appointed to the Board

- 3 January 2023 (re-designated as Chairman)
- 31 January 2022



PRESENT DIRECTORSHIP:

Listed Company

- Nil

Other Public Companies

- DuoPharma BioTech Berhad
- Heitech Padu Berhad
- Amanah Raya Berhad

BOARD COMMITTEE MEMBERSHIP:

- Nil

WORKING EXPERIENCE AND OCCUPATION:

Datuk Mohd Radzif Bin Mohd Yunus ("Datuk Mohd Radzif") has held various leadership positions in healthcare, banking, property consultancy, real estate development, construction and investment. In 2003, he was appointed as the Chief Executive Officer of Institut Jantung Negara Sdn. Bhd. He then assumed the position as Group Managing Director of IJN Holdings Sdn. Bhd. in 2006 prior to his appointment as Managing Director of Small Medium

Enterprise Development Bank Malaysia (SME Bank) in 2010.

Subsequently, in 2014, he was redesignated as Group Managing Director of SME Bank, the last executive post he held until June 2017. He was awarded the Malaysian Business Leadership Award for Healthcare in 2009. In 2015, he was accorded the CEO of the Year award by the Association of Development Financing Institutions in Asia and the Pacific in recognition of his remarkable achievement in transforming SME Bank.

ACADEMIC / PROFESSIONAL QUALIFICATIONS:

- Associate Institute of Corporate Directors Malaysia
- Certified Risk Director by Institute Enterprise Risk Management
- Registered Valuer, Real Estate Professional and Property Manager, BOVEAP Malaysia

- Bachelor Applied Science Property Resource Management with Finance, University of South Australia, Australia
- Diploma in Land Survey, Universiti Teknologi Malaysia

DECLARATIONS:

- Director of Amanah Raya Berhad, major shareholder of AKRM
- No family relationship with any Director /Major Shareholder of AKRM
- Never been convicted of any offence within the past five years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2023

Profile of the Board of Directors

SHANLAN BIN MD SHUKOR @ KADARI

Non-Independent
Non-Executive Director

Malaysian | 52 | Male

Date appointed to the Board

- 1 June 2020



PRESENT DIRECTORSHIP:

Listed Company

- Nil

Other Public Companies

- Syarikat Jaminan Kredit Perumahan Berhad
- Syarikat Jaminan Pembiayaan Perniagaan Berhad
- Pengurusan Danaharta Nasional Berhad
- KL International Airport Berhad
- Malaysia Sovereign Sukuk Berhad
- Malaysia Wakala Sukuk Berhad

BOARD COMMITTEE MEMBERSHIP:

- Member, Investment and Tender Committee
- Member, Risk Management and Compliance Committee

WORKING EXPERIENCE

AND OCCUPATION:

Shanlan Bin Md Shukor @ Kadari ("Shanlan") started his career in 1995 as an Audit Assistant in Azman, Wong,

Salleh & Co (Public Accountants) in Kuala Lumpur. In year 2001, he joined Perbadanan Nasional Bhd as an Investment Monitoring Executive and he continued his career with Keretapi Tanah Melayu Bhd in 2004 as an Auditor in the Internal Audit Department.

Shanlan serves as an Accountant in the Government sector since 2005. His extensive experience includes serving at various Government departments including Accountant General's Department of Malaysia Putrajaya, Accountant General's Department of Malaysia State of Selangor, Selangor State Health Department and Marine Department Malaysia.

Shanlan is currently the Principal Assistant Secretary, Government Investment Company Division, Ministry of Finance.

ACADEMIC / PROFESSIONAL QUALIFICATIONS:

- Bachelor Degree in Accounting, Universiti Teknologi MARA
- Member of the Chartered Accountant, Malaysian Institute of Accountants

DECLARATIONS:

- Shanlan is the Nominee of the Ministry of Finance of Malaysia, major shareholder of Amanah Raya Berhad
- No family relationship with any Director /Major Shareholder of AKRM
- Never been convicted of any offence within the past five years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2023

Profile of the Board of Directors

NAOTO KOJIMA

Non-Independent
Non-Executive Director

Japanese | 61 | Male

Date appointed to the Board
• 31 January 2022



PRESENT DIRECTORSHIP:

Listed Company

- Nil

Other Public Companies

- Nil

BOARD COMMITTEE MEMBERSHIP:

- Member, Investment and Tender Committee
- Member, Risk Management and Compliance Committee

WORKING EXPERIENCE AND OCCUPATION:

Naoto Kojima ("Kojima") started his career in April 1986 as Manager in Nippon Life Insurance Company. Since May 1991 until March 1996, he joined NLI International Limited in the U.K. (wholly owned subsidiary of Nippon Life) as an Associate Director. In the middle of his tenure as Associate Director, Naoto Kojima was appointed

as a Delegate for Nippon Life in Banco Bilbao Vizcaya in Spain from October 1992 to December 1992.

In April 1996, Kojima was promoted as a Chief Manager in Nippon Life Insurance Company and continue the position for a period of two (2) years until March 1998. In April 1998 until March 2000, Kojima served NLI Properties East, Inc in the U.S.A. as a Senior Vice President. Kojima then continued his career as a President in NLI Properties West, Inc. in the U.S.A. from April 2000 to September 2002.

Subsequently, Kojima joined Ikoma CB Richard Ellis K.K. as a Senior Consultant from November 2002 until March 2004. In April 2004 until March 2006, Kojima joined AMB Blackpine as a Director, Acquisition. In April 2006, Kojima then joined Kenedix Inc as a Senior Manager/ General Manager.

Since October 2021, Kojima has been serving as Chief Executive Officer of Kenedix Asia Pte. Ltd.

ACADEMIC / PROFESSIONAL QUALIFICATIONS:

- Bachelor of Arts (Spanish Language, International Law), Kobe City University of Foreign Studies, Japan

DECLARATIONS:

- Kojima is the representative of KDA Capital Malaysia Sdn. Bhd., major shareholder of AKRM
- No family relationship with any Director /Major Shareholder of AKRM
- Never been convicted of any offence within the past five years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2023

Profile of the Board of Directors

YM TUNKU ROZITA BINTI TUNKU ABDUL MALEK

Non-Independent
Executive Director

Malaysian | 54 | Female

Date appointed to the Board

- 12 December 2022 (re-designated as Non-Independent, Executive Director and appointed as Managing Director)
- 31 January 2022



PRESENT DIRECTORSHIP:

Listed Company

- Nil

Other Public Companies

- Nil

BOARD COMMITTEE MEMBERSHIP:

- Nil

WORKING EXPERIENCE AND OCCUPATION:

YM Tunku Rozita Binti Tunku Abdul Malek ("YM Tunku Rozita") began her career as a Business Manager in NCR (M) Sdn Bhd and was responsible for the sale of ATMs and other technology solutions to various financial institutions. She joined CIMB as an executive in October 1994 and left CIMB as Senior Vice-President, Institutional Sales in September, 2011. YM Tunku Rozita continued her career with Rohfe Trading Sdn Bhd as a Director that specialized in Sales of Biodegradable Degreaser mainly to ports from October 2011 to December 2012.

She became an Independent Director at Aberdeen Standard Islamic Investments (M) Sdn Bhd from October 2011 until December 2022.

Subsequently, from January 2013 until December 2016, she joined RNS Distributor Sdn Bhd as a Partner and was responsible for the daily operations, trading, sales and marketing for Halal products. Her main clients were Kemaman Supply Base and Malaysia Airlines Berhad. From January 2017 until September 2020, YM Tunku Rozita joined Inspire UK as a Commercial Representative for Southeast Asia.

YM Tunku Rozita also served as Consultant at Capillary Technologies from 2019 until 2021 and as a Business Development Representative at RAPL Asian Sdn Bhd from 2021 until 2022.

YM Tunku Rozita is a Member of 30% Club and was a former Member of

LeadWomen Sdn Bhd. She is also a Member of Institute of Corporate Directors Malaysia.

ACADEMIC / PROFESSIONAL QUALIFICATIONS:

- Bachelor of Science Management Information System, Indiana University of Pennsylvania

DECLARATIONS:

- No family relationship with any Director /Major Shareholder of AKRM
- Never been convicted of any offence within the past five years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2023

Profile of the Board of Directors

NGUYEN THI HOANG HANH

Non-Independent
Non-Executive Director

Vietnamese | 40 | Female

Date appointed to the Board

- 3 January 2023



PRESENT DIRECTORSHIP:

Listed Company

- Nil

Other Public Companies

- Nil

BOARD COMMITTEE MEMBERSHIP:

- Member, Audit Committee
- Member, Investment and Tender Committee

WORKING EXPERIENCE AND OCCUPATION:

Nguyen Thi Hoang Hanh ("Hanh") started her career in 2007 as a Senior Consultant for Tax and Corporate Services in KPMG Vietnam, involved in several tax advisory projects to clients for the professional firm until 2009. After gaining MBA qualification at National University of Singapore from 2009 to 2011, she joined CapitaLand Group from 2011 to 2014 and involved

in investment and asset management activities, as well as project financing for the Group's residential and mixed-use projects in Singapore and Vietnam.

Subsequently, she continued her career as a Manager, Research & Consulting at CBRE Asia Pacific in 2014 where she provided consultancy for several large-scale projects in different real estate asset classes in Vietnam as well as Indochina markets to international real estate developers and investors. She also served Fragomen Singapore Pte. Ltd. in 2016 until 2017 as a Consultant, Asia Pacific Coordination Centre.

Since June 2017, Hanh has been serving Kenedix Asia Pte. Ltd as a Manager and later promoted to Senior Manager in 2021.

ACADEMIC / PROFESSIONAL QUALIFICATIONS:

- Bachelor of Arts in International Business, Foreign Trade University, Hanoi, Vietnam
- Master of Business Administration (Specialised in Real Estate), National University of Singapore

DECLARATIONS:

- Hanh is the representative of KDA Capital Malaysia Sdn. Bhd., which is a shareholder of AKRM
- No family relationship with any Director /Major Shareholder of AKRM
- Never been convicted of any offence within the past five years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2023

Profile of the Board of Directors

DATO' MOHAMMED NOOR AZMALL BIN JAMALUDDIN

Independent
Non-Executive Director

Malaysian | 48 | Male

Date appointed to the Board

- 3 January 2023



PRESENT DIRECTORSHIP:

Listed Company

- Nil

Other Public Companies

- Nil

BOARD COMMITTEE MEMBERSHIP:

- Chairman, Risk Management and Compliance Committee
- Member, Audit Committee
- Member, Investment and Tender Committee

WORKING EXPERIENCE

AND OCCUPATION:

Dato' Mohammed Noor Azmall Bin Jamaluddin ("Dato' Azmall") spent a total of sixteen (16) years studying and working in the United Kingdom prior his return to Malaysia in 2010. His previous work experiences covered his employment with Reid Architecture Ltd, London from 2002 to 2006 as an Architectural Assistant, 3D Architects Ltd, in London from 2006 to 2007 as a Project

Architect, 3DReid Ltd in London from 2007 to 2010 as an Associate Director and from 2010 to 2012 as a Regional Director based in Kuala Lumpur where he was instrumental in planning and setting up 3DReid's international expansion in Asia Pacific region.

He is the Founder and Chief Executive Officer of BIMASIA, the leading BIM (Building Information Modelling) Consulting in Asia and also the Founder and Managing Director of 3D Architecture (formerly known as 3DReid International).

ACADEMIC / PROFESSIONAL QUALIFICATIONS:

- Post Graduate Certificate of Professional Practice in Architecture (RIBA Part 3), University of Westminster, London, United Kingdom

- Post Graduate Diploma in Architecture (RIBA Part 2) and Masters of Science in Architecture: Computing and Design, University of East London, United Kingdom
- Bachelors of Arts (Hons) Architectural Studies (RIBA Part 1), Liverpool John Moores University, Liverpool, United Kingdom

DECLARATIONS:

- No family relationship with any Director /Major Shareholder of AKRM
- No conflict of interest with AKRM
- Never been convicted of any offence within the past five years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2023

Profile of the Board of Directors

WAN AZMAN BIN ISMAIL

Independent
Non-Executive Director

Malaysian | 60 | Male

Date appointed to the Board
• 3 January 2023



PRESENT DIRECTORSHIP:

Listed Company

- Nil

Other Public Companies

- Nil

BOARD COMMITTEE MEMBERSHIP:

- Chairman, Investment and Tender Committee
- Member, Audit Committee

WORKING EXPERIENCE AND OCCUPATION:

Wan Azman Bin Ismail ("Wan Azman") started his career in 1990 as a Manager in Permata Merchant Bank Berhad. In year 1996, he joined BSN Merchant Bank Berhad as a Senior Manager and later continued his career with Johor Corporation in 1999 as a Senior Manager which responsible for managing and advising on corporate finance functions of Johor Corporation.

Wan Azman then continued his career as a General Manager at Damansara Realty in 2001 and ultimately assumed the Managing Director position in 2013. He then served back Johor Corporation in 2014 until 2017 as a Vice President. In 2017, he was appointed as Chief Executive Officer of Damansara REIT Managers Sdn Bhd until June 2022.

ACADEMIC / PROFESSIONAL QUALIFICATIONS:

- Diploma in Learning Disorders Management & Child Psychology, College of Allied Educators
- BA Hons in Accounting & Financial Analysis, University of Newcastle upon Tyne
- A Levels, Norfolk College of Arts & Technology

DECLARATIONS:

- No family relationship with any Director /Major Shareholder of AKRM
- No conflict of interest with AKRM
- Never been convicted of any offence within the past five years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2023

Profile of the Board of Directors

AIDA MOSIRA BINTI MOKHTAR

Independent
Non-Executive Director

Malaysian | 50 | Female

Date appointed to the Board

• 30 August 2022



PRESENT DIRECTORSHIP:

Listed Company

- Ocean Vantage Holdings Berhad
- AGX Group Berhad

Other Public Companies

- MIMOS Berhad

BOARD COMMITTEE MEMBERSHIP:

- Chairperson, Audit Committee, AmanahRaya-Kenedix REIT Manager Sdn. Bhd.
- Member, Risk Management and Compliance Committee, AmanahRaya-Kenedix REIT Manager Sdn. Bhd.

WORKING EXPERIENCE

AND OCCUPATION:

Aida Mosira Binti Mokhtar ("Aida Mosira") was appointed as Independent Non-Executive Director of AKRM on 30 August 2022.

Aida Mosira is a fellow member of The Association of Chartered Certified Accountants (FCCA), Chartered member of MIA (CA (M)), Chartered Islamic Finance Professional (CIFP) and certified Islamic

Financial Planner (IFP). She graduated in Economics (Accounting & Finance) from The London School of Economics and Political Science (LSE).

Her professional milestones span across industries such as corporate treasury, asset management, oil & gas, aviation, professional services and management consulting. She has over 20 years' experience in various senior positions in advisory and strategic roles in companies like Petroliaam Nasional Berhad (PETRONAS), Malaysian Airline System Berhad (MAS), Aberdeen Islamic Asset Management Sdn Bhd and Deloitte Risk Advisory Sdn Bhd in the areas of finance (investment, treasury, fund management, Islamic finance), risk management, strategic planning and consulting.

Currently, she sits on several boards of government and listed companies such as Ocean Vantage Holdings Berhad, AGX Group Berhad and MIMOS Berhad.

ACADEMIC / PROFESSIONAL QUALIFICATIONS:

- Fellow Member, The Association of Chartered Certified Accountants (FCCA)
- Chartered Member, The Malaysian Institute of Accountants (CA (M))
- The Chartered Islamic Finance Professional (CIFP) – equivalent to a Masters' degree
- Islamic Financial Planner (IFP)
- BSc. (Hons) Economics (Accounting & Finance), The London School of Economics & Political Science, United Kingdom
- Certificate in Sustainable Investing, Harvard Business School Online
- Certified Trainer, Human Resource Development Corporation (HRD Corp)

DECLARATIONS:

- No family relationship with any Director /Major Shareholder of AKRM
- No conflict of interest with AKRM
- Never been convicted of any offence within the past five years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2023

Profile of the Board of Directors

AHMAD FEIZAL BIN SULAIMAN KHAN

Non-Independent
Non-Executive Director

Malaysian | 50 | Male

Date appointed to the Board

- 4 January 2024



PRESENT DIRECTORSHIP:

Listed Company

- Nil

Other Public Companies

- Nil

BOARD COMMITTEE MEMBERSHIP:

- Nil

WORKING EXPERIENCE AND OCCUPATION:

Ahmad Feizal Bin Sulaiman Khan ("Ahmad Feizal") began his career as an Auditor at BDO Simpson Xavier in Dublin, Ireland. Upon his return to Malaysia in 2003, he joined the Corporate Finance team of Commerce International Merchant Bankers Berhad ("CIMB"). He subsequently appointed as Head of Capital Markets, at Bank Islam Malaysia Berhad where he witnessed the recapitalisation exercise which resulted in the emergence of Dubai Investment Group as the substantial shareholder of the Bank.

Pursuant to a short stint (2008 to 2011) of heading a property development company in Dubai, he had served as the Head of Wholesale Banking of Century Banking Corporation, the first Islamic bank in Mauritius. He was then appointed as a Chief Business Officer at Malaysian Rating Corporation Berhad ("MARC"), upon his return to Malaysia in 2014. Ahmad Feizal was also appointed as an Executive Director of MARC Learning Sdn Bhd, the learning and development arm of MARC group.

Effective from 11 October 2022, Ahmad Feizal was appointed by the Minister of Finance as the Group Managing Director, Amanah Raya Berhad to helm the organisation and provide leadership role.

ACADEMIC / PROFESSIONAL QUALIFICATIONS:

- Bachelor of Science in Accounting and Financial Analysis, University of Warwick, United Kingdom
- Fellow Chartered Accountant of the Institute of Chartered Accountants, Ireland

DECLARATIONS:

- No family relationship with any Director /Major Shareholder of AKRM
- Never been convicted of any offence within the past five years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2023

Profile of the Board of Directors

MOHD ISKANDAR DZULKARNAIN BIN RAMLI

Non-Independent
Non-Executive Director
(Alternate Director to Ahmad Feizal Bin Sulaiman Khan)

Malaysian | 40 | Male

Date appointed to the Board
• 2 February 2024



PRESENT DIRECTORSHIP:

Listed Company

- Nil

Other Public Companies

- Nil

BOARD COMMITTEE MEMBERSHIP:

- Nil

WORKING EXPERIENCE AND OCCUPATION:

Mohd Iskandar Dzulkarnain Bin Ramli ("Mohd Iskandar") began his career as an Internal Audit Executive at Sapura Crest Petroleum Berhad in May 2008 before advancing his career in the field of Risk Management at Kumpulan Perangsang Selangor Berhad and Khazanah Nasional Berhad Group of Companies.

In April 2014, Mohd Iskandar joined Bina Darulaman Berhad ("BDB") and led the Group Corporate Planning

and Enterprise Risk Management Department. He subsequently served as its Chief Operating Officer in December 2018 and was later appointed as its Chief Corporate Officer/Executive Vice President 1 – Strategy, Finance, and Corporate Services in November 2020.

Since May 2023, Mohd Iskandar has been serving Amanah Raya Berhad as Group Chief Corporate Services Officer.

ACADEMIC / PROFESSIONAL QUALIFICATIONS:

- Bachelor of Accounting, International Islamic University Malaysia
- Certified Chartered Financial Modelling Professional
- Member of the Malaysian Association of Risk and Insurance Management

DECLARATIONS:

- No family relationship with any Director /Major Shareholder of AKRM
- Never been convicted of any offence within the past five years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2023

Investment & Tender Committee Members



With effect from 1 December 2023, the Investment Committee was renamed as Investment and Tender Committee ("ITC"), which comprises of five (5) members, all of whom are Non-Executive Directors.



Wan Azman Bin Ismail
Chairman
Independent Non-Executive Director
(Please refer to page 34 for profile)



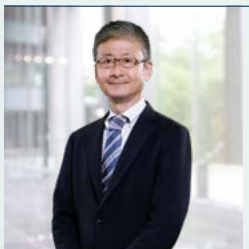
Shahlan Bin Md Shukor @ Kadari
Member
Non-Independent
Non-Executive Director
(Please refer to page 29 for profile)



Dato' Mohammed Noor Azmall Bin Jamaluddin
Member
Independent Non-Executive Director
(Please refer to page 33 for profile)



Nguyen Thi Hoang Hanh
Member
Non-Independent
Non-Executive Director
(Appointed as member on 1 January 2024)
(Please refer to page 32 for profile)



Naoto Kojima
Member
Non-Independent
Non-Executive Director
(Please refer to page 30 for profile)

KEY FUNCTIONS

The primary objective of the ITC is to assist the Board in fulfilling its fiduciary and statutory duties relating to stability, profitability and liquidity of AKRM and AmanahRaya REIT and reporting practices of the Company and enhancing internal control and corporate governance.

The ITC is governed by a written Terms of Reference which ensures it deals clearly within its authority and duties, which is available on the Company's website at <https://www.amanahrayareit.com.my/>.

MEETINGS

A total of four (4) meetings were held during FY2023.

The Management Team



1

Sr ANUAR BIN HUSIN

Chief Investment Officer

2

YUSOFF ISKANDAR BIN MOHD ZAKI

Chief Operating Officer

3

YM TUNKU ROZITA BINTI TUNKU ABDUL MALEK

Managing Director

4

KHALIJAH SABARIAH BINTI AMIN TAJUDIN

Chief Compliance and Legal Officer

5

KAMARUL AZMAN BIN KAMARUZAMAN @ AMIR

Chief Financial Officer

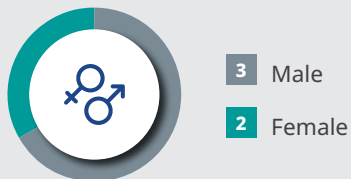
Save as disclosed, none of the Key Senior Management have:-

1. any directorship in public companies and listed issuers;
2. any family relationship with any Directors and/or major shareholders of the Company;
3. any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries;
4. any conviction for offences within the past 5 years other than traffic offences; and
5. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

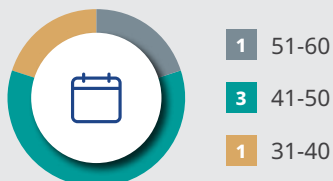
The Management Team

Management Team Characteristics

Gender



Age Group



Nationality



YM Tunku Rozita Binti Tunku Abdul Malek

Managing Director

Malaysian | 54 | Female

YM Tunku Rozita Binti Tunku Abdul Malek's career exemplifies broad expertise across technology, finance, and sales. Initially a Business Manager at NCR (M) Sdn Bhd, she focused on ATM and technology sales to financial institutions. Her journey continued at CIMB, where from 1994 to 2011, she ascended to Senior Vice-President of Institutional Sales. Post-CIMB, she directed at Rohfe Trading, dealing in biodegradable degreasers for ports, and held an Independent Director role at Aberdeen Standard Islamic Investments from 2011 to 2022.

YM Tunku Rozita further explored trade and marketing with RNS Distributor Sdn Bhd, focusing on halal products, and expanded her international experience as a Commercial Representative for Inspire UK in Southeast Asia. Her consultancy roles at Capillary Technologies and business development at RAPL Asian Sdn Bhd further showcase her versatility.

Demonstrating her dedication to leadership and corporate governance, she has been associated with professional networks such as LeadWomen Sdn Bhd in the past and currently maintains active membership in the 30% Club and the Institute of Corporate Directors Malaysia.



Kamarul Azman Bin Kamarozaman @ Amir

Chief Financial Officer

Malaysian | 50 | Male

Kamarul Azman is a Certified Chartered Accountant with more than 25 years of experience working in various areas in finance, accounting, financial treasury, internal control and other corporate finance functions. Kamarul Azman holds a Bachelor of Arts Degree in Accountancy Studies from University of Portsmouth, United Kingdom and a member of the Association of Chartered Certified Accountants (ACCA). He is also a member of Chartered Institute of Islamic Finance Professional (CIIF), a Member of Malaysia Institute of Accountant (MIA) and attended the Leadership Certificate in Islamic Banking & Finance from Cambridge Institute of Islamic Finance, UK in 2022.

Prior to joining AmanahRaya Kenedix REIT Manager, he held a number of senior positions such as CFO of Agrobank Berhad, Director, Head of Finance & Investment Operations for CIMB Principal Asset Management Berhad, UK Financial Controller for Skrill Limited, a digital e-Wallet payment solutions provider and various other stints with PwC UK, KPMG Europe, CIMB Bank London and EY KL office.

The Management Team



**Yusoff Iskandar
Bin Mohd Zaki**

Chief Operating Officer

Malaysian | 38 | Male

Yusoff Iskandar was appointed Chief Operating Officer on 1 April 2023. He joined AmanahRaya-Kenedix Manager as the Head of Investment on 19 March 2020. He brings along more 15 years of experience encompassing audit, accounting and finance, investment analysis and portfolio management. Yusoff Iskandar holds a Bachelor of Commerce majoring in Accountancy from Curtin University, Australia, and a member of Certified Practising Accountant ("CPA") Australia. He is also currently a holder of Capital Markets Services Representative's Licence ("CMSRL") by Securities Commission Malaysia.

Prior to joining AmanahRaya-Kenedix Manager, he was attached to a boutique shariah-compliant Private Equity firm focused on investing into Malaysian growth-stage SMEs with exposure in oil & gas, technology, manufacturing, consumer, cosmetics, and personal care. Prior to that, he was attached with Sapura Secured Technologies providing financial advisory services for projects and investment opportunities. He began his career in 2008 as an external auditor attached to Ernst and Young Malaysia undertaking financial audits for various industries.



Sr Anuar Bin Husin

Chief Investment Officer

Malaysian | 44 | Male

Sr Anuar Bin Husin joined Amanahraya-Kenedix REIT Manager Sdn. Bhd. ('AKRM') on 1 June 2023 as Chief Investment Officer. His main role is to formulate and execute for both short and long-term strategy of the Fund.

Prior to joining AKRM, he held various positions as Head Valuation at MBSB Bank Berhad, Senior Manager Market Intelligence & Forecasting with Tenaga Nasional Berhad, Senior Manager Property Management with AmREIT Manager Sdn. Bhd., Head Property Investment for Etiqa Insurance Berhad and was attached with two valuation firms known as MN Associates Sdn Bhd and Raine & Horne International Zaki & Partners Sdn. Bhd., respectively.

With spanning over 22 years' experience in real estate industry and academic, he holds Master in Property Investment and double degree in Bachelor of Science (Hons.) in Estate Management and Bachelor Business Administration (Finance) (Hons.) from Universiti Teknologi MARA. He is currently holding professional license as a Registered Valuer, Estate Agent and Property Manager. He is also a Credential Member with The International Association of Certified Valuation Specialists (IACVS) and a member with the Royal Institute Surveyors Malaysia (RISM).



**Khalijah Sabariah Binti
Amin Tajudin**

Chief Compliance and Legal Officer

Malaysian | 50 | Female

Khalijah Sabariah was awarded the JPA scholarship under the British Top Universities Programme in 1991. She graduated at A-Level from Hurtwood House Sixth Form College, UK and later obtained LLB from King's College London. She began her career as paralegal in M&A at Cadwalader, Wickersham and Taft, London until her return to Malaysia.

Prior to joining MATRADE (under MITI) in 2005, she worked in ECM Libra (Institutional Dealer Representative), DBS Bank Singapore (Legal and Secretarial), Lee Hishammuddin Allen & Gledhill (Business Development and Corporate Communications). Subsequently in 2014, she was part of PRPC's RAPID Project in the Shareholders/Contracts Management, Commercial & JV Formation team.

In 2016, she joined AmInvestment Bank Berhad's Debt Capital Markets Group in managing compliance-related matters in relation to governance and transactions, before moving on to KIP REIT Management Sdn. Bhd. and the Federation of Investment Managers Malaysia.

Corporate Calendar 2023



11th ANNUAL GENERAL MEETING 2023

22 March 2023

AmanahRaya REIT held its Annual General Meeting (AGM) on March 22, 2023, at Connexion Conference & Event Centre in Kuala Lumpur, Malaysia. The Management highlighted AmanahRaya REIT's 2022 achievements to Unitholders. The Chairman, Directors, Management Team, external auditors, and trustee were present at the 11th AGM, engaging with Unitholders and encouraging participation in the Q&A session.

CORPORATE SOCIAL RESPONSIBILITY PROGRAMME

BAZAR USAHAWAN WANITA

15 September 2023 – 16 September 2023

In an effort for a 'Give Back to the Community' initiative, AKRM had organized a Corporate Social Responsibility programme involving single mother's entrepreneurs to align with the government's initiative to empower the socio-economic status of women in Malaysia. The Women Entrepreneurs programme was held for 2 days at the Main Atrium, Selayang Mall Bazar inaugurated by Datin Izzatul Shima Md Thahir, Deputy Director General, Department Of Women Development.



CORPORATE SOCIAL RESPONSIBILITY PROGRAMME

GIRLPRENEUR BOOT CAMP

13 August 2023

AKRM is dedicated to supporting educational initiatives and fostering entrepreneurship. By contributing to Wahine Capital's programme, we believe in significantly impacting youth entrepreneurial spirit. This competition encourages creativity, critical thinking, and equips young entrepreneurs with vital business skills for success.

Corporate Calendar 2023



DISPOSAL OF HOLIDAY VILLA LANGKAWI

28 June 2023

On 28 June 2023, Pacific Trustees Berhad, the Trustee of AmanahRaya REIT entered into a Sale & Purchase Agreement with Plenitude Gateway Sdn. Bhd. for the disposal of Holiday Villa Langkawi.

TENANCY AGREEMENT SIGNING CEREMONY

TENANCY AGREEMENT SIGNING CEREMONY BETWEEN PACIFIC TRUSTEES BERHAD & IHT REHABILITATION CENTRE (SELANGOR) SDN BHD (IHT)

20 November 2023

AmanahRaya-REIT has signed a 15-year tenancy agreement with IHT Rehabilitation Centre (Selangor) Sdn. Bhd., a subsidiary of Integra Healthcare Technology Sdn. Bhd., for a property in Glenmarie, Shah Alam, Selangor. The property, spanning 74,104 square feet, will serve as INTEGRA's new rehabilitation center. The agreement entails leasing the property in its current condition.



The AKRM's Team.

Investor Relations Activities

The Manager is committed to deliver and adopt effective and transparent communications with unitholders from the Investment Community with a dedicated Investor Relation's team that conduct a structured engagement programmes guided by efficiency, transparency, and clarity.

The IR Programmes to engage with the Investment Community as follows:

- 1 Bursa Malaysia - Announcement
- 2 Annual General Meeting ("AGM")
- 3 Media - Press Release & News
- 4 Corporate Website - Investor Relations
- 5 Malaysian Reit Managers Association ("MRMA")
- 6 Financial Results Update
- 7 Private Investors Briefing
- 8 Roadshows
- 9 Annual Report

Annual General Meeting ("AGM")

Annual General Meeting ("AGM") is the most important engagement session with the Unitholders. This is the platform where the Unitholders can give their feedback directly to the Board of Directors and the Management team.

On 23 March 2023, AmanahRaya REIT held its AGM at Connexion Conference & Event Centre in Kuala Lumpur, Malaysia. The Management highlighted AmanahRaya REIT's 2022 achievements to Unitholders. The Chairman, Directors, Management Team, external auditors, and trustee were present at the 11th AGM, engaging with Unitholders and encouraging participation in the Q&A session.

12th Annual General Meeting



Date
18th April 2024



Mode of Meeting
Fully Virtual



Broadcast Venue/Venue
Level 1, Wisma AmanahRaya

11th Annual General Meeting



Date
22nd March 2023



Mode of Meeting
Physical



Broadcast Venue/Venue
Connexion Conference & Event Centre,
Bangsar South

10th Annual General Meeting



Date
31st March 2022



Mode of Meeting
Fully Virtual



Broadcast Venue/Venue
Level 1, Wisma AmanahRaya



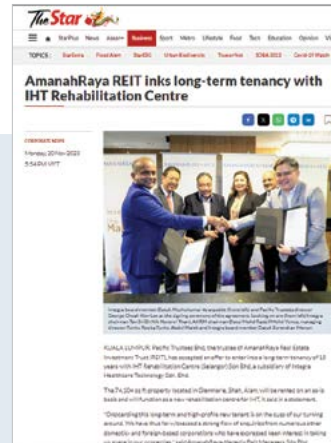
Investor Relations Activities

Media - Press Release & News



08 August 2023

AmanahRaya REIT is in talks to acquire Education Assets – The Edge Malaysia



20 November 2023

AmanahRaya REIT inks long-term tenancy with IHT Rehabilitation Centre – The Star Newspaper

Private Investors Briefing



14 September 2023

Analyst Briefing for Quarter 2 (Q2) 2023 Results Update was held at Wisma AmanahRaya



28 December 2023

RHB Small Cap Asean Research on AmanahRaya REIT Turnaround With a Focus on Education – Malaysia Trading Idea

Feedback and Enquiries

The Manager values feedback as part of our initiative to improve our efforts in engaging with the investment community. To share your insights or enquiries, the Manager is available through the following: investorrelations@akrm.com.my

Message from the Chairman

**Dear
Valued
Unitholders,**

On behalf of the Board of Directors of AmanahRaya-Kenedix REIT Manager Sdn. Bhd. (AKRM), the Manager of AmanahRaya Real Estate Investment Trust (AmanahRaya REIT), I am pleased to present the Annual Report and Audited Financial Statements for the financial year ended 31 December 2023 (FY2023).

Datuk Mohd Radzif Bin Mohd Yunus

Chairman



Message from the Chairman

The International Monetary Fund (IMF) predicts that global growth, which reached 3.1 percent in 2023, will likely remain stable in 2024 before seeing a slight uptick to 3.2 percent in 2025. In Malaysia, as reported by Bank Negara Malaysia, economic growth in 2023 reverted to a more moderate pace of 3.7% following a strong expansion of 8.7% in the previous year, despite encountering challenges in the external economic landscape.

Challenges such as rising inflation and interest rates emerged as significant headwinds, mounting challenges to businesses. Moreover, the economic landscape encountered further uncertainties fuelled by geopolitical tensions.

OVERVIEW OF THE ECONOMY

According to Bank Negara Malaysia, the Malaysian economy saw a normalisation of growth to 3.7% in FY2023, down from the impressive rise of 8.7% the previous year. The deceleration in growth can be linked to several factors, including a slowdown in global trade, a slump in the global technology sector, geopolitical concerns, and tighter monetary policies. Despite the external challenges faced by the Malaysian economy, there was a continued recovery in economic activity and labor market conditions domestically.

Throughout the year, Bank Negara Malaysia hiked the overnight policy rate (OPR) by 25 basis points to 3.0% in order to normalise the degree of monetary accommodation. The decision to increase the OPR is one of the numerous steps towards attaining the long-term economic growth. While inflation has slowed, Malaysia's economic growth and strong domestic demand continued to put pressure on prices.

The increase in OPR has caused a rise in finance costs, adding a major layer to the overall cost of doing business in Malaysia. Higher financing costs are likely to reduce customers' purchasing power, causing a shift in spending behaviour.



“

AmanahRaya REIT has embarked on a transformative journey during the year, infused with high-calibre talents in key positions, helmed by an astute Managing Director, YM Tunku Rozita Binti Tunku Abdul Malek.

REFRESHED TEAM, RENEWED FOCUS

AmanahRaya REIT has embarked on a transformative journey during the year, infused with high-calibre talents in key positions, helmed by an astute Managing Director, YM Tunku Rozita Binti Tunku Abdul Malek. Her leadership fosters creativity and rapid expansion. Complementing this formidable force is the newly appointed Chief Investment Officer, Sr Anuar Bin Husin, Chief Financial Officer, Kamarul Azman Bin Kamarozaman @ Amir, and Chief Compliance and Legal Officer, Khalijah Sabariah Binti Amin Tajudin.

Under the new management team, AmanahRaya REIT is unveiling a strategic roadmap, emphasizing growth. As part of its portfolio transformation and restructuring strategy, management has shifted its focus to more resilient sectors, specifically education, industrial/logistic and wellness, while exiting non-core hospitality. Furthermore, AmanahRaya REIT will continue to engage with existing stakeholders, gaining a greater understanding of their needs, and actively seeking ways to improve their experiences.



AmanahRaya REIT has sustained a strong and healthy financial position, boasting a gearing ratio of **39.9% as at 31 December 2023. This remains comfortably below the mandated threshold of 50%.**

Message from the Chairman

OPERATIONS AND INDUSTRIES OVERVIEW



Office

The pandemic-related digitalization has accelerated the shift to remote work, drastically altering the nature of office labour. The increase in work-from-home policies by firms has affected the need for real office spaces due to the rise in remote and hybrid work methods.

But during this change, an important insight is beginning to surface: the inherent benefits of working in an actual office. Large companies are quickly realising how important it is to keep physical workspaces since offices are essential for encouraging teamwork, creativity, and a sense of belonging among staff members. This realisation suggests that the supply and demand for office space may eventually balance out.



Education

On the other hand, the education sector has shown resiliency even in times of uncertainty. With students returning to colleges and institutions for in-person education, this segment remains stable in the current financial year. The education sector's continued resiliency paints a positive picture of the post-pandemic era.

The growing demand for private education campuses reflects a trend towards more personalised and high-quality educational experience. Furthermore, the industry is seeing a growth in partnerships between real estate developers and educational institutions, reflecting the strength of this sectors.



Industrial

The Malaysian Industrial sector continued to remain challenging for the year, with risks in global economy leaning towards the downside. Economists' projections indicate a potential slowdown in the Industrial Production Index (IPI) growth, estimated around 3.5% and 3.7% in 2023 compared to 6.9% in 2022.

Despite these challenges, there are some encouraging signs, such as RM230.1 billion in foreign direct investment (FDI) commitments in Malaysia in October 2023, which not only demonstrates confidence in Malaysia's economic prospects but also serves as an indicator of the country's attractiveness to foreign investors. The significant FDI commitments send a good signal, instilling optimism into the manufacturing outlook for the coming year.



Retail

For the retail sector, Retail Group Malaysia has lowered Malaysia's annual retail industry growth rate for 2023 to 2.7% from 4.8%, as retailers are less positive about Malaysian consumers' buying power. Despite the revival of pre-COVID shopping activity, the retail industry faced several challenges this year. While inflation rate has fallen in recent months, prices of many

essential commodities and consumer goods have remained higher than pre-lockdown.

Despite its smaller size compared to other malls, Selayang Mall boasts on almost full tenant capacity, showcasing its effectiveness in attracting and accommodating a diverse range of businesses. Additionally, it reflects the positive impact of neighbourhood malls with a large captive population.



Hospitality

In line with its strategy to focus to high-yielding education assets, AmanahRaya REIT entered into a sale and purchase agreement with Plenitude Berhad's wholly owned unit, Plenitude Gateway Sdn Bhd, for the proposed disposal of Holiday Villa Beach Resort and Spa Langkawi for RM145 million. This transaction was completed in January 2024.

In addition, AmanahRaya REIT is actively exploring the sale of the former Holiday Villa Alor Setar Kedah as part of its strategic move to completely exit the hospitality business. Looking ahead, AmanahRaya REIT remains committed to the ongoing divestment of non-core properties in its portfolio.



Wellness Space

During the year, AmanahRaya REIT ventured into the wellness space by welcoming a new long-term tenant, IHT Rehabilitation Centre (Selangor) Sdn Bhd (IHT Rehab), a subsidiary of Integra Healthcare Technology Sdn Bhd (INTEGRA) for its property in Glenmarie, Shah Alam. This new tenant will utilize AmanahRaya REIT's property in Glenmarie, Shah Alam, as a dedicated rehabilitation centre.



Message from the Chairman

The inclusion of IHT Rehab in AmanahRaya REIT's portfolio marks the first addition under the new management that took charge this year. AmanahRaya REIT remains committed to embracing Environmental, Social, and Governance (ESG) principles, guiding its asset management and acquisition strategies.

“

Apart from that, we had organized “Bazar Usahawan Wanita” event at Selayang Mall sponsoring entrepreneurial single mothers together with the Department of Women Development. We also had “Educational Entrepreneurship Competition” as part of our initiative for “Give Back to the Community”.

SUSTAINABILITY COMMITMENT

This year, we continuously increase our effort towards sustainability and keep aligning with The United Nations Sustainable Development Goals (SDGs). Our internal guidelines and policies have been strengthened as part of our control to enhance energy efficiency which translated to lower operational cost especially for our neighbourhood mall which is Selayang Mall. The energy efficiency effort includes replacing conventional lightings with new LED Lightings and installing new cooling towers in our selected assets.



Apart from that, we had organized “Bazar Usahawan Wanita” event at Selayang Mall sponsoring entrepreneurial single mothers together with the Department of Women Development. We also had “Educational Entrepreneurship Competition” as part of our initiative for “Give Back to the Community”.

MOVING FORWARD

Despite the gloomy global economic outlook, projections for 2024 foresee a robust strengthening of the local economy, propelled by growth across all sectors and promising developments in global trade. Considering these favourable conditions, AmanahRaya REIT stands poised with optimism, anticipating promising business prospects in the upcoming year.

Bank Negara Malaysia has projected a growth between 4.0% to 5.0% in 2024, propelled by firm domestic demand, and improvement in external demand. This optimistic outlook signifies a promising economic landscape, reflecting the nation's resilience and potential for sustained prosperity. Hence, AmanahRaya REIT is optimistic on the FY2024 outlook.

ACKNOWLEDGEMENT

I would like to extend my heartfelt gratitude to my fellow Board members, Committee members, Management, and our employees for their perseverance and commitment in enabling AmanahRaya REIT's continuous value creation. I would also like to thank our unitholders, tenants, and business partners for their unwavering support.

Management Discussion and Analysis

The Board of Directors of AmanahRaya-Kenedix REIT Manager Sdn. Bhd., the Manager of AmanahRaya Real Estate Investment Trust ("AmanahRaya REIT") is pleased to present the Annual Report and the Audited Financial Statements for the financial period ended 31 December 2023.

REVENUE CONTRIBUTORS

Office

RM28.2 mil

(FY2022: RM31.2 million)

Education

RM24.6 mil

(FY2022: RM25.0 million)

Industrial

RM1.7 mil

(FY2022: RM1.7 million)

Retail

RM14.9 mil

(FY2022: RM12.9 million)

Hospitality

RM2.9 mil

(FY2022: RM3.8 million)

YM Tunku Rozita Binti Tunku Abdul Malek

Managing Director



Management Discussion and Analysis

INVESTMENT STRATEGIES AND POLICIES

The Manager's investment strategy aims to acquire properties that can generate strong, consistent, and long-term returns with stable growth potential in terms of rental yield and capital values. Property acquisition and evaluation follows a strict process that includes site visits, financial analysis, preliminary technical and legal due diligence, risk assessment, and market studies before being recommended to the Investment Committee and Board of Directors for approval. The following are the investing criteria:



Diversified Portfolio

AmanahRaya REIT's resilience is anchored in the diversity of its portfolio. This diversification strategy empowers the Manager to mitigate the impact of adverse conditions in specific sectors or localities. AmanahRaya REIT remains committed to sustaining this approach, with a concentrated focus on education and wellness sectors.



Covenant's Strength

Ensuring covenant strength through tenant profiling is crucial to mitigate the risk of rental default, particularly in single tenancy arrangements. The Manager conducts thorough due diligence on the financial strength and operations of potential tenants, managing the risk through security deposits equivalent up to 6 months of rent.



Quality Properties

The Manager is committed to acquiring high-quality properties that are in excellent tenantable condition. A comprehensive technical due diligence process, involving the examination of mechanical and electrical equipment as well as structural components, is carried out by the Manager's appointed consultants before finalizing any acquisition. Additionally, all acquired properties must adhere to the stipulated requirements and guidelines set forth by relevant authorities.



Location

The assessment of the location entails an evaluation of its proximity to established Central Business Districts, industrial zones, densely

populated areas, and its accessibility to major roads, highways, and key public transportation infrastructure, such as LRT and buses, ensuring a comprehensive analysis of strategic positioning.



Price and Rental Yield

The evaluation of rental yields in relation to property value serves as a foundational criterion. Therefore, the Manager meticulously evaluates net rental yields, aiming for a threshold of over 6%. This benchmark varies depending on factors such as the quality or condition of the property, its location, and type. The primary objective is to ensure that new acquisitions have the potential to yield accretive returns and capital growth, thereby generating strong and sustainable benefits for Unitholders.



Management Discussion and Analysis

FINANCIAL REVIEW

FUND'S PERFORMANCE

In FY2023, AmanahRaya REIT's net property income stood at RM46.5 million, showing a 17.3% decrease compared to the RM56.2 million in the previous year. The decline was mainly due to reduced rental income from office spaces, particularly at Vista Tower. The occupancy rate at Vista Tower fell to 35% as some anchor tenants chose not to renew their leases, a trend reflective of the challenging office rental market in the Klang Valley.

AmanahRaya REIT's property operating expenses saw an increase by 19.4% to RM25.9 million from RM21.7 million, on higher service contract and maintenance cost for Selayang Mall

while Non-Property expenses rose by 15.6% to RM41.4 million in FY2023, compared to RM35.8 million in the previous year, primarily due to higher finance costs resulting from the rise in OPR.

RM46.5 mil

FY2023 came in at RM46.5 million, 17.3% decrease against RM56.2 million generated in FY2022.

Consequently, AmanahRaya REIT's realized income before taxation decreased by 68.8% to RM4.8 million from RM15.2 million in the previous

year, and at the same time net realised income for FY2023 declined to RM7.6 million from RM21.7 million in the preceding year.

As at 31 December 2023, the fair value of AmanahRaya REIT's investment portfolio remained steady at RM1.2 billion.

After the annual revaluation exercise, AmanahRaya REIT recorded a reduced loss from fair value adjustments of the investment properties of RM3.0 million, versus a loss of RM6.6 million in 2022.

AmanahRaya REIT has sustained a strong and healthy financial position, boasting a gearing ratio of 39.9% as at 31 December 2023. This remains comfortably below the mandated threshold of 50%.

Review of Performance

	2023	2022	2021	2020	2019
Total Asset Value (RM)	1,398,943,856	1,412,293,431	1,430,844,387	1,434,826,370	1,471,855,117
Total Net Asset Value (RM)	725,966,763	735,788,163	745,605,427	746,851,505	776,591,192
Units in Circulation (units)	573,219,858	573,219,858	573,219,858	573,219,858	573,219,858
Net Asset Value Per Unit (RM)	1.266	1.284	1.301	1.303	1.355
Highest Net Asset Value Per Unit (RM)	1.289	1.308	1.321	1.361	1.364
Lowest Net Asset Value Per Unit (RM)	1.266	1.284	1.301	1.303	1.354
Market Price per Unit (RM) as at 31 December	0.395	0.59	0.66	0.66	0.74
Highest Traded Price for the Twelve Months Period (RM)	0.63	0.69	0.71	0.77	0.87
Lowest Traded Price for the Twelve Months Period (RM)	0.395	0.57	0.64	0.51	0.73

Management Discussion and Analysis

Results of AmanahRaya REIT's Performance

	2023	2022	2021	2020	2019
Total Gross Rental Income (RM)	72,397,649	77,855,200	86,252,295	91,516,844	95,877,818
Total Property Expenses (RM)	25,912,601	21,660,075	18,948,164	19,359,656	16,210,440
Net Property Income (NPI) (RM)	46,485,048	56,195,125	67,620,823	72,645,326	80,665,650
Interest and Other Income (RM)	2,699,374	1,408,701	1,202,330	735,044	1,186,193
Total Non-Property Expenses (RM)	(41,432,832)	(35,780,962)	(37,902,449)	(42,184,741)	(42,985,977)
Realised Earnings (RM)	7,630,168	21,686,984	30,604,012	30,707,491	37,136,577
Changes in Fair Value of Investment Properties (RM)	(2,879,278)	(6,455,432)	981,226	(38,107,358)	3,116,979
Earnings Before Taxation (RM)	4,750,890	15,231,552	31,425,238	(7,399,867)	35,494,133
Taxation* (RM)	NIL	NIL	NIL	NIL	NIL
Earnings After Taxation (RM)	5,039,890	12,300,552	31,425,238	(7,399,867)	35,494,133
Earnings Per Unit (EPU) after taxation (sen) (Realised + Unrealised)	0.879	2.146	5.482	(1.29)	6.19
EPU Yield (%) (Based on Closing Market Price)	2.23	3.64	8.31	(1.96)	8.36
Distribution Per Unit (DPU) (sen)	1.198	3.405	5.026	5.084	6.200
Distribution Yield (%)	3.03	5.77	7.62	7.70	8.38
MER (%)	1.31	1.16	1.08	1.17	1.35
Annual Total Return (%)**	2.44	5.40	8.15	7.89	7.73
Annual Total Return (3 years) (%)	5.53	7.15	7.92	7.62	6.92
Annual Total Return (5 years) (%)	6.57	7.22	7.36	7.02	6.79

* AmanahRaya REIT distributed at least 90% of the realised and distributable income and thus, its total income for the year is exempted from tax pursuant to Section 61A (1) of the Income Tax 1967.

** Based on movement in weighted average unit price & actual gross income distribution.

Note:

The unit price of AmanahRaya REIT is largely determined by market factors. Therefore, past performance is not necessarily indicative of future performance and that unit prices and investment returns may fluctuate.

Management Discussion and Analysis

Income Distribution

During the period under review, AmanahRaya REIT made the following income distributions:

FIRST SEMI ANNUAL	SECOND SEMI ANNUAL	TOTAL
0.8325	0.3655	1.1980

For 2023, AmanahRaya REIT distributed a total income of RM6.9 million or 1.2 sen, which was lower than 2022's income distribution of 3.41 sen. Analysis of income distribution:

	2023	2022	2021	2020	2019
Income distribution per unit (sen)					
First interim income distribution	-	-	-	-	1.5000
Second interim income distribution	-	-	-	-	1.5000
Third interim income distribution	-	-	-	-	1.5000
Proposed Fourth and final income distribution	-	-	-	-	1.7000
Proposed semi-annual income distribution	0.8325	1.6449	2.8129	2.1972	-
Proposed final income distribution	0.3655	1.7601	2.2136	2.8868	-
	1.1980	3.4050	5.0265	5.0840	6.2000

Net Asset Value

Net Asset Value as at 31 December 2023 stood at RM1.266 per unit.

The net asset value of AmanahRaya REIT since 2019 is tabulated as follows:

	2023	2022	2021	2020	2019
Total net asset value ("NAV") RM:					
Before provision for income distributions	1.266	1.284	1.301	1.303	1.355
After provision for income distributions	1.263	1.266	1.278	1.274	1.323

Units in Issue

As at 31 December 2023, the total number of units issued was 573,219,858.

Management Discussion and Analysis

Gearing Level

As at 31 December 2023, AmanahRaya REIT's total debt was RM558.42 million with a gearing ratio of 39.92%.

	2023	2022	2021	2020	2019
Gearing ratio (%)	39.92	45.04	44.99	44.85	43.81

Other Performance Benchmarks

	2023	2022	2021	2020	2019
Total returns (%) ¹	2.44	5.40	8.15	7.89	7.73
Asset Portfolio Turnover (times) ²	-	0.01	-	-	0.02
Management Expense Ratio ("MER") % ³	1.31	1.16	1.08	1.17	1.35

1. Total return is calculated based on the actual gross income distribution and the net change in the weighted average market price for the financial year, over the weighted average market price of AmanahRaya REIT for the respective year.
2. Asset Portfolio Turnover is based on the average of total acquisitions and total disposals of investment in AmanahRaya REIT for the financial year ended 31 December 2023 to the average net asset value for the financial year calculated on a daily basis.
3. The calculation of MER is based on the total expenses incurred by AmanahRaya REIT, including Manager's fee, Trustee's fee, audit fees, tax agent's fee and administrative expenses, to the average net asset value of AmanahRaya REIT for the financial year calculated on a daily basis.

OPERATIONAL REVIEW

PROPERTY MANAGEMENT

The Property Management Department oversees all properties within the AmanahRaya REIT portfolio, with the primary objective of maintaining property values and ensuring consistent tenant-ready conditions. This involves implementing thorough maintenance programs, with Property Managers conducting quarterly inspections. In 2023, the overall property expenses totaled RM25.91 million, encompassing utilities, statutory payments, insurance, and building repair expenditures.

Asset Enhancement Initiatives

In 2023, the Manager awarded a contract sum of RM RM4.7 million for various projects. The major project awarded relates to lift modernization at Vista Tower. Smaller projects completed in 2023 include asset enhancement work such as lift system rectification works at Menara Dana13, replacement work for cooling tower at Selayang Mall, and façade painting work at Menara Dana 13. Further, the Manager had carried out the repair works for piping at Vista Tower and fire alarm panel at Menara Dana 13.

Property Enhancement and Refurbishment

To maintain and enhance the condition of the property and to boost the competitiveness and attractiveness of AmanahRaya REIT's properties, scheduled Asset Enhancement Initiatives ("AEIs") are established. The AEIs also incorporated initiatives which potentially enable greater operational efficiency, as well as sustainability.

During the financial year under review, the key property enhancement and refurbishment work carried out include:

- Modernization of lift system at Vista Tower
- Façade painting works at Menara Dana 13
- Repair works to air conditioning and mechanical ventilation ("ACMV") at Vista Tower
- Repair works to fire alarm panel for Menara Dana 13

Management Discussion and Analysis

Occupancy

Occupancy rate for AmanahRaya REIT's portfolio of properties are tabulated as follows:

Property	Net Lettable Area (sq.ft.)	Type	Occupancy Rate
Office			
Vista Tower	544,118	Multi tenant	35%
Dana 13	250,814	Multi tenant	45%
Contraves	75,014	Single tenant	100%
Wisma Comcorp	80,523	Multi tenant	65%
Education			
SEGi University	577,000	Single tenant	100%
SEGi College	131,387	Single tenant	100%
HELP University	125,227	Single tenant	100%
Industrial			
RHF Stone Factory	95,035	Single tenant	100%
Toshiba, TEC Glenmarie	74,104	Single tenant	0%
Retail			
Selayang Mall	365,834	Multi tenant	96%
Hospitality			
Ex-Holiday Villa Alor Setar	150,000	Vacant	0%
Holiday Villa Langkawi	183,190	Single tenant	100%

CAPITAL MANAGEMENT

The Manager has embraced a cautious approach to capital management, working to decrease its gearing level. In alignment with this objective, the Manager has adhered to the stipulations outlined in the Trust Deed and followed all relevant rules and guidelines mandated by the Securities Commission for financing AmanahRaya REIT. As of 31 December 2023, AmanahRaya REIT maintained a debt level equivalent to 39.92% of the total asset level, slightly lower than the 45.04% recorded in the previous year. The Manager aims to further maintain this debt level to at least 40.0% by the end of 2024 through the strategic process of asset recycling.

The following are the debt instruments undertaken by AmanahRaya REIT:

Type	Financier	Amount	Rate	Expiry
Medium Term Note 1	Public Bank Berhad	RM380 million	COF + 0.5%	December 2025
Medium Term Note 2	Public Bank Berhad	RM161 million	COF + 0.5%	March 2025
Term Loan	Public Bank Berhad	RM17.92 million	COF + 0.5%	December 2025

Management Discussion and Analysis



RISK MANAGEMENT

The Manager acknowledges various risk factors that could influence the operational and financial performance of AmanahRaya REIT. To mitigate these risks, the Manager has implemented several initiatives, including:

Acquisition and Investment Risk

The Manager conducts a comprehensive due diligence process, which involves site visits and an assessment of the financial standing of both the property and its tenants. This approach is taken to prevent any potential impairment of capital values and to ensure that rental yields remain at satisfactory levels.

Operational Risk

All properties within the fund undergo regular reviews and updates in accordance with the adopted stringent operating procedures, guidelines, and regulations mandated by the authorities.

Tenancy Risk

The Manager regularly collaborates with real estate consultants and agents to maintain and improve tenancy. Simultaneously, the Manager monitors the periodic rental payment capabilities of tenants.

Financial Process Risk

The Manager has embraced the group policy of Amanah Raya Berhad for overseeing the financial aspects of AmanahRaya REIT. Robust controls have been implemented for asset management, procurement, and cash management.

Alternate Site/Disaster Recovery Centre ("DRC")

AKRM has adopted the Business Continuity Management group policy of Amanah Raya Berhad, ensuring compliance with the Securities Commission's requirement for Disaster Recovery Center (DRC).

Compliance Risk

The Group Chief Risk Officer and the designated Compliance Officer of AKRM conduct regular monitoring to ensure compliance with relevant laws and guidelines set forth by the authorities.

Interest Rate Risk

To ensure a strong financial performance of AmanahRaya REIT, the Manager closely monitors the floating rate and fixed rate.

Market Risk

Consistent reviews and comprehensive reporting to both the Investment Committee and the Board are firmly established. The Manager carried out robust assessment in respect of the market volatility exposure i.e. over supply, lessee profiles etc.

Human Capital Risk

The Group Human Capital has embraced a policy aligned with market standards to attract and retain talented employees. There is well covered of training and human development including but not limited to sustainability, integrity and ESG.

Authority Limits

AmanahRaya REIT operates within clearly defined authority limits, encompassing approvals for investments, divestments, banking facilities, capital and operating expenditures, and the engagement of external services.

Threshold limits have been set to uphold transparency and promote good governance. Additionally, provisions have been instituted for alternate authorized personnel to approve and release payments for transactions, subject to prior approval in accordance with the established authority limits.

Internal Audit and Audit Committee

While Internal Audit services come under the Manager's holding company, Amanah Raya Berhad, the Board, Audit Committee and Management meet regularly to monitor, assess, and address significant risks faced by AmanahRaya REIT.

Management Discussion and Analysis

MOVING FORWARD

Acquisition

The Manager remains committed to expanding its portfolio through strategic acquisitions of high-quality properties, aiming to foster growth in both dividends and capital values. Given the current competitive landscape in property prices, the Manager will pursue the acquisition of yield accretive properties opportunistically as they arise.

Leasing

The Manager continues to focus its efforts on filling up the available spaces to improve the average occupancy rate of AmanahRaya REIT properties. More aggressive marketing and leasing activities are implemented for AmanahRaya REIT's multi-tenanted properties such as Vista Tower, Dana 13 and Wisma Comcorp performed by the Manager's in-house leasing staff and external real estate agencies. Occupancy rate post 31 December 2023 will increase with the effort in securing new tenants for Toshiba TEC, and Vista Tower. As of 31 December 2023, the average portfolio occupancy rate is at 68.6%.

Financial Performance

Navigating the challenges presented by the tough property market in 2023, the Manager still faces office space glut in Klang Valley, less-than-sanguine business sentiment, and high interest rates. The future poses a formidable task for AmanahRaya REIT. Despite these, the Manager is committed to recovering the Distribution Per Unit (DPU) to within the range of 4.0 to 4.5 sen per unit.



To offset the potential impact of lower DPU resulting from decreased occupancy and rental pressures, the Manager will rigorously manage and minimize operating costs. Looking ahead, the Manager will persist in the strategic disposal of non-performing assets that do not align with the long-term vision for AmanahRaya REIT's portfolio.

Capital Management

The Manager will persist in its endeavors to reduce both borrowing costs and gearing levels.

SOFT COMMISSION

During the financial year under review, the Manager did not receive any soft commission from its broker or any parties by virtue of transactions conducted by AmanahRaya REIT.

MATERIAL LITIGATION

There is no material litigation pending since the issuance of the last annual report to the date of this report.

CHANGES IN THE STATE OF AFFAIRS

There was no change in the state of affairs of AmanahRaya REIT during the financial year under review.

MATERIAL CONTRACT

There was no material contract entered by AmanahRaya REIT that involved the Directors of the Manager of major unitholders of AmanahRaya REIT during the financial year under review.

DIRECTORS OF THE MANAGER

The Directors of the Manager in office since the date of the last report and the date of this report are:

Datuk Mohd Radzif Bin Mohd Yunus
(Chairman)

**YM Tunku Rozita Binti
Tunku Abdul Malek**
(Managing Director)

Shahlan Bin Md Shukor @ Kadari

Naoto Kojima

Aida Mosira Binti Mokhtar

Wan Azman Bin Ismail

**Dato' Mohammed Noor Azmall
Bin Jamaluddin**

Ahmad Feizal Bin Sulaiman Khan

**Mohd Iskandar Dzulkarnain
Bin Ramli**
(Alternate Director to Ahmad Feizal
Bin Sulaiman Khan)

Management Discussion and Analysis

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Manager has received or become entitled to receive a benefit (other than benefits which are accrued from the fees paid to the Manager or from transactions made with companies related to the Manager as shown in the notes to the financial statements of AmanahRaya REIT) by reason of a contract made by the Manager or AmanahRaya REIT or a related corporation with the Director of the Manager or with a firm in which the Director of the Manager is a member, or with a company in which the Director of the Manager has substantial financial interest, other than related party transactions as shown in [Note 21] to the financial statements of the AmanahRaya REIT.

Neither at the end of the financial year, nor at any time during the financial year, did there subsist any arrangement to which the Manager or AmanahRaya REIT was a party, whereby the Directors of the Manager might acquire benefits by means of acquisition of shares or debentures of the Manager or any other body corporate or the acquisition of units of AmanahRaya REIT.

DIRECTORS' INTEREST

None of the directors of the Manager in office at the end of the financial year had any interest in AmanahRaya REIT during the financial year ended 31 December 2023.

SANCTION AND/OR PENALTIES

There was no public sanction and / or penalty imposed on AmanahRaya REIT and the Directors of the Manager by the relevant regulatory bodies during the financial year ended 31 December 2023.



FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR SUBSTANTIAL UNITHOLDERS

None of the Directors of the Manager has any family relationship with any other Directors or major Unitholders of AmanahRaya REIT.

CONFLICT OF INTEREST

No conflict of interest has arisen during the financial year under review.

AUDIT AND NON-AUDIT FEE

The amount of audit and non-audit fees paid or payable to the external auditors for the financial year ended 31 December 2023 are as follows: -

	FY2023
Audit Fee	RM156,000
Non-Audit Fees	RM10,000

RESERVES AND PROVISIONS

There were no material transfers to and from reserves or provisions during the financial year ended 31 December 2023 other than those disclosed in the Statement of Changes in Net Asset Value.

INFORMATION ON THE FINANCIAL STATEMENTS

In arriving at the financial statements of AmanahRaya REIT, the Manager took reasonable steps to ascertain that:

- any charge on the assets of AmanahRaya REIT which has arisen since the end of the financial year which secures the liability of any other person, except as disclosed in Note 4 to the financial statement.
- any contingent liability of AmanahRaya REIT which has arisen since the end of financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year of which, in the opinion of the Manager, will affect the ability of AmanahRaya REIT to meet its obligations as and when they fall due.

Management Discussion and Analysis

OTHER STATUTORY INFORMATION

The Manager states that:

As at the date of this report, the Manager is not aware of any circumstances not otherwise dealt with in this report or the financial statements of AmanahRaya REIT which would render any amount stated in the financial statements misleading.

The Manager opines:

- a. that the results of the operations of AmanahRaya REIT during the financial year under review were not substantially affected by any item, transaction or event of material and unusual in nature; and
- b. that there were no item, transaction or event of material and unusual in nature that are likely to affect substantially the results of the operations of AmanahRaya REIT arisen during the interval between the end of the financial year under review and the date of this report.

Before the statement of comprehensive income and statement of financial position of AmanahRaya REIT were made, the Manager took reasonable steps:

- a. to ascertain that proper actions had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts and that no further allowance is required for doubtful debts; and
- b. to ensure that any current asset which is unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they are expected to be realised at.

At the date of this report, the Manager is not aware of:

- a. any circumstances not otherwise dealt with in this report or financial statements of AmanahRaya REIT which would render the amount written-off for bad debts or the amount of the provision for doubtful debts made in the financial statements of AmanahRaya REIT inadequate to any material extent;



- b. any circumstances which have arisen, which would render adherence to the existing method of valuation of assets or liabilities of AmanahRaya REIT misleading or inappropriate; and
- c. any circumstances not otherwise dealt with in this report or the financial statements of AmanahRaya REIT which would render any amount stated in the financial statements misleading.

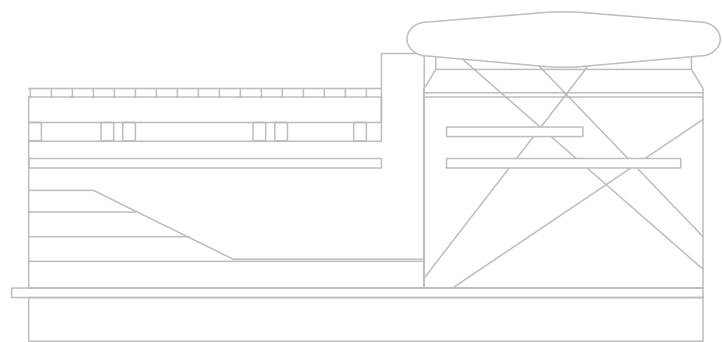
At the date of this report, there does not exist:

- a. any charge on the assets of AmanahRaya REIT which has arisen since the end of the financial year which secures the liabilities of any other person; or
- b. any contingent liability of AmanahRaya REIT which has arisen since the end of the financial year.

AUDITORS

The auditor, Messrs KPMG, has indicated their willingness to accept reappointment.

This concludes the Management Discussion and Analysis Report with a resolution from the Board of Directors.



Sustainability Statement



INTRODUCTION

The Board of Directors (the “Board”) of AmanahRaya-Kenedix REIT Manager Sdn. Bhd. (“AKRM”) views the management of economic, environmental, and social (“EES”) risks and opportunities as integral towards the business sustainability of AmanahRaya REIT (“AmanahRaya REIT”), i.e. contributing towards overall success of the company and also positively impact the environment and society.



AKRM presents this Sustainability Statement (this “Statement”) which discusses the management and performance of EES risks and opportunities of AmanahRaya REIT for the financial year ended 31 December 2023 (“FY2023”). This Statement is prepared in accordance with the Sustainability Reporting Guide – 3rd Edition and its accompanying Toolkits published by Bursa Malaysia Securities Berhad (“Bursa”). Where relevant, we have also considered and disclosed in this Statement, the alignment of our practices against and contributions to the Sustainable Development Goals (“SDG”), a shared blueprint which was adopted by all United Nations Member States (Malaysia included) in 2005, a global partnership which aims to provide peace and prosperity for people and the planet, now and into the future.

To ensure that sustainability risks and opportunities that are key to AmanahRaya REIT were relevant and contemporary, AKRM has during the year, conducted a review through reassessing and identifying material sustainability matters (“MSMs”) through an internal discussion and assessment with the respective Senior Management. The review of MSMs has also considered the amended Main Market Listing Requirements (“Listing Requirements”) of Bursa pertaining to sustainability reporting (i.e. the enhanced sustainability reporting framework).

Sustainability Statement

SCOPE

Apart from the Head Office, AmanahRaya REIT has 12 properties under its portfolio as follows:

Segment	Property	Location
 Office	Vista Tower, The Intermark	Kuala Lumpur
	Dana 13, Dana 1 Commercial Centre	Petaling Jaya
	Contraves	Cyberjaya
	Wisma Comcorp	Shah Alam
 Hotel	Holiday Villa ²	Langkawi
	Lot 162 & 163 (Ex-Holiday Villa)	Alor Setar
 Education	SEGi University ²	Kota Damansara
	HELP University	Kuala Lumpur
	SEGi College ²	Subang Jaya
 Industrial	RHF Stone Factory ²	Nusajaya
	Toshiba TEC Malaysia ^{1,2}	Shah Alam
 Retail	Selayang Mall	Selayang

Note¹ : Toshiba TEC Malaysia has been reclassified from "Office" to "Industrial" as the property was previously used as an office but is now used for light industrial purposes

Note² : These properties were managed by the respective tenants and hence are excluded for the purposes of this Statement unless otherwise stated

Unless otherwise stated, the scope of this Statement ("FY2023") includes AmanahRaya REIT and the seven (7) properties under AmanahRaya REIT/ AKRM's Management.

OUR SUSTAINABILITY MANAGEMENT PROCESS AND GOVERNANCE

With the intention to successfully integrate and effectively manage sustainability, AKRM has set out a clear governance structure to provide leadership, direction, and assign roles and accountability to responsible personnel.

The Board holds the ultimate responsibility in ensuring AmanahRaya REIT's strategic plans incorporate strategies, targets, and performance pertaining to EES matters, as well as ensuring the governance structure of AKRM facilitates effective EES management across the business and operations. The Board also reviews the overall internal control system to ensure EES risks and opportunities are considered and managed in operations and businesses.

Sustainability Statement

The Board is supported by the Senior Management, whose responsibilities include driving the development and ensuring the effective implementation of sustainability strategies and initiatives, particularly those addressing AmanahRaya REIT's MSMs.

The Senior Management is responsible for carrying out materiality assessments to identify and assess EES matters which are most material, i.e. MSMs. Senior Management is also responsible for ensuring relevant stakeholders are engaged adequately and effectively, including for the purpose of communicating the strategies, targets, and performance of the management of MSMs, as relevant.

Our Senior Management personnel, as depicted in the Organisation Chart Section in this Annual Report, is responsible for reviewing and managing the sustainability performance of the department or function under their respective purview.

OUR ENGAGEMENT WITH STAKEHOLDERS

AKRM is aware of its role in preserving and creating value, including from the perspectives of financial value and EES value for its key stakeholders. We do understand our stakeholders through various engagement channels and methods, including their interests, needs, concerns, and any complaints. These channels also serve as an avenue for constructive exchanges between AKRM or ARRIET and their stakeholders towards building relationships that foster mutual development.

The outcomes of engagement with stakeholders, such as key concerns, also contribute to AKRM's materiality assessment where each stakeholder group's priorities are taken into consideration when determining the MSMs.

The table below summarises AKRM and AmanahRaya REIT's key stakeholder groups, engagement methods, frequency as well as the key focus areas commonly discussed with the respective stakeholder groups. These engagements may be carried out physically or via online platforms, e.g., video/ voice calls and online meetings.

Stakeholders	Engagement Method	Frequency	Focus Area
Investors/ Unitholders	Annual General Meetings	Annual	<ul style="list-style-type: none"> • Growth and income • Financial sustainability • Active engagement
	Extraordinary General Meeting	As needed	
	Quarterly results and Bursa announcements	Quarterly	
	Investor Relation	As needed	
Government, Agencies & Regulators	Meetings	As needed	<ul style="list-style-type: none"> • Compliance with laws and regulations • Water management • Energy and emissions management • Waste and effluents management
	Electronic Reporting System	Ongoing	
Tenants	Physical and online meetings	Ongoing	<ul style="list-style-type: none"> • Property maintenance and enhancement • Property safety and health • Water management • Energy and emissions management • Waste and effluents management
	Tenants survey	Ongoing	
	Tenant feedbacks	As needed	
Property Managers	Monthly and/or quarterly reporting	Monthly/ Quarterly	<ul style="list-style-type: none"> • Energy and emissions management • Security • Property maintenance and enhancement • Water management • Waste and effluents management

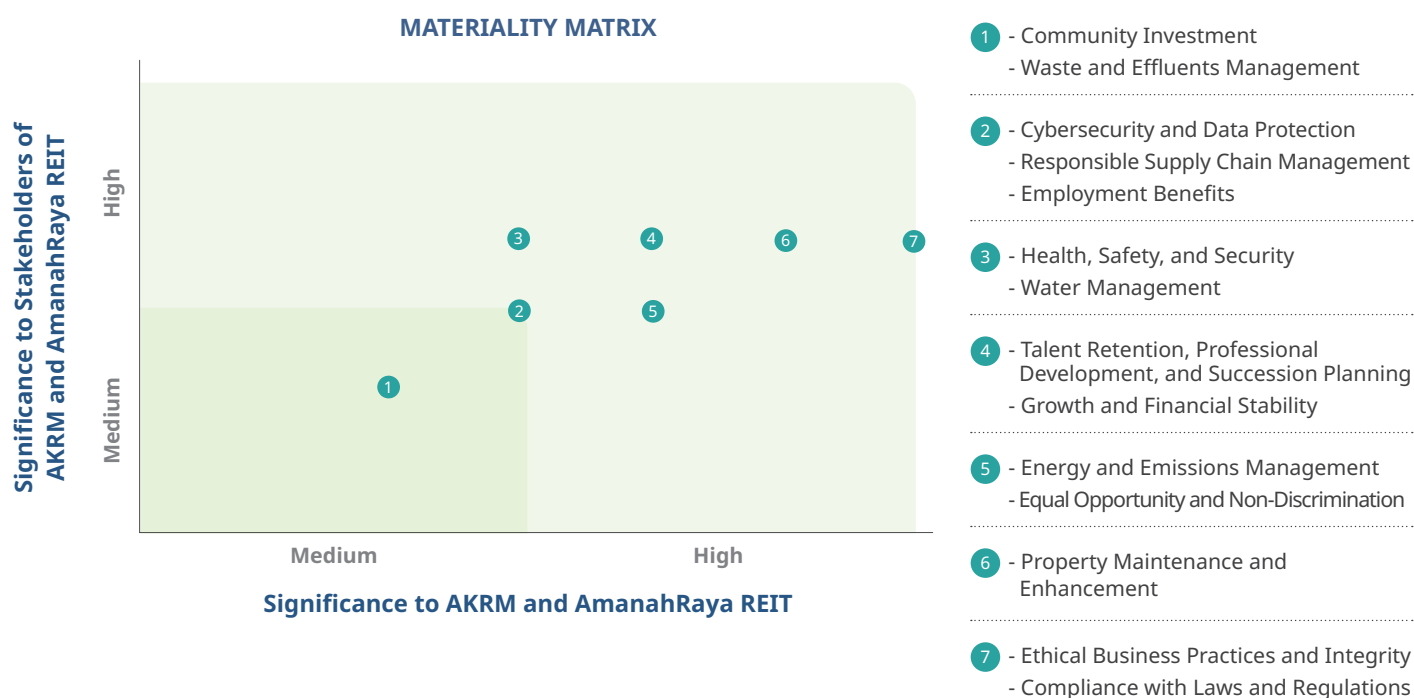
Sustainability Statement

Stakeholders	Engagement Method	Frequency	Focus Area
Employees	Townhall/dialogue	Ongoing	<ul style="list-style-type: none"> • Employment benefits • Talent retention, professional development, and succession planning • Equal opportunity and non-discrimination • Workplace safety and health
	Performance appraisals	Annual	
Suppliers/ Vendors/Service Providers	Meetings	Ongoing	<ul style="list-style-type: none"> • Business practices • Creditability/qualification • Responsible supply chain management • Ethical business practices and integrity
Local Community	Philanthropic activities	Ongoing	<ul style="list-style-type: none"> • Community investment

The limited materiality assessment review performed in FY2023 is in line with the approach promulgated by the amended Listing Requirements, where a sustainability matter is considered as material if it:

- reflects AmanahRaya REIT and AKRM's significant economic, environmental, and social impacts; or
- substantively influence the assessments and decisions of AmanahRaya REIT and AKRM's key stakeholders; and
- falls under the common material sustainability matters as set out in the Listing Requirements.

Arising from the review conducted during the year, the 14 MSMs remained the same, details of which (including the relative importance of the MSMs) are as follows:



Sustainability Statement

The MSMs are summarised as follows:

Material Sustainability Matters	Description
Growth and Financial Stability	AmanahRaya REIT's main investment objective is to continuously provide sustainable returns to its investors and unitholders and nurture quality growth of its portfolio. Maintaining financial stability and sustainable growth is key to obtaining continuous support from investors and unitholders.
Compliance with Laws and Regulations	It is crucial for AmanahRaya REIT and AKRM to comply with relevant laws and regulations. It is the responsibility of AmanahRaya REIT and AKRM to ensure the rule of law of its business environment is upheld to protect the society and stakeholders which the laws and regulations are enacted to protect.
Ethical Business Practices and Integrity	AKRM believes in business sustainability fostered by ethical business environment and practices. Upholding business ethics and integrity instils confidence and trust in the relationship between AKRM, AmanahRaya REIT, and their stakeholders.
Health, Safety, and Security	AKRM takes seriously the health, safety, and security of people involved in AmanahRaya REIT's business, including employees, tenants and vendors of AmanahRaya REIT's properties, and as such, aims to create a secure and safe environment for tenants of AmanahRaya REIT's properties as well as a healthy and safe workplace for its employees.
Water Management	Freshwater supply is a basic necessity for all, including businesses, tenants, and users of AmanahRaya REIT properties. AKRM aims to provide adequate access to water supply to the tenants of AmanahRaya REIT properties and minimise water shortage impacts in the event of water supply disruption at the municipal level.
Talent Retention, Professional Development, and Succession Planning	Innovation and intellectual capital are increasingly pivotal to value creation and AKRM places strong emphasis on human capital development. Without the presence of suitable talents, skills and leadership in management, AmanahRaya REIT would not be able to optimise its value even in the most ideal presence of all other business factors.
Equal Opportunity and Non-Discrimination	AKRM views all people as equal and shall have equal opportunity and no one shall be discriminated on any basis, including race, colour, religion, national origin, gender, age, marital status, disability, or veteran status. AKRM upholds meritocracy in its workforce.
Property Maintenance and Enhancement	AmanahRaya REIT's properties are key tangible assets core to the revenue generating capacity of the business. Hence, it is vital for AmanahRaya REIT to ensure its properties are fit for the purposes they are meant to serve and satisfy the demands and requirements of tenants. A well-maintained property, with due consideration given to environmental and social aspects, is not only favourable to renewal of leases but also creates better market demand.
Employment Benefits	AKRM respects the employer-employee relationship it has with its workforce. AKRM aims to provide appropriate benefits that incentivise performance while supporting healthy work-life balance of its employees.
Cybersecurity and Data Protection	AKRM acknowledges the importance of safeguarding business and personal data by establishing adequate cybersecurity systems and ensuring appropriate handling and use of personal data.

Sustainability Statement

Material Sustainability Matters	Description
Responsible Supply Chain Management	AKRM supports the development of the local economy and local businesses.
Community Investment	AKRM supports the development of the local society and community, especially vulnerable communities.
Energy and Emissions Management	AKRM seeks to optimise energy and emissions efficiency and to reduce unnecessary wastage of energy. This is also in line with the global combat against climate change, apart from driving operational efficiency in relation to the management of AmanahRaya REIT's properties.
Waste and Effluents Management	AKRM seeks to responsibly manage the waste and effluent generated from AKRM or AmanahRaya REIT's operations to reduce the impact on the environment.

PURSUING SUSTAINABLE BUSINESS PERFORMANCE

GROWTH AND FINANCIAL STABILITY

AmanahRaya REIT's investment strategy places emphasis on properties which are able to provide continuous, strong, and sustainable returns. To ensure AmanahRaya REIT's portfolio and investment decisions remain in line with AmanahRaya REIT's strategies, we have stringent processes to review and assess existing and current investments. Amongst others, considerations in the management of AmanahRaya REIT's properties include maximising rental yield and property value and managing operational and strategic risks.

The financial performance of AmanahRaya REIT for FY2023 is reported and discussed in detail in the Management Discussion and Analysis section of this Annual Report.

PROPERTY MAINTENANCE AND ENHANCEMENT

Maintenance of Properties

The day-to-day maintenance of AmanahRaya REIT's properties is generally managed by the respective Property Managers and is overseen and monitored by AKRM through monthly reports submitted by Property Managers and quarterly visits and inspections performed by AKRM's Property Management Department. Inspections may include assessments on the physical and aesthetic conditions, safety of the building, ingress and egress, cleanliness, lighting, structural soundness, and many other considerations.

The Property Managers are annually assessed, with significant consideration placed on how well the respective properties were maintained. Other assessment considerations include

any complaints received, any incident reports, and the pricing terms and conditions. The assessments will further determine the reappointment of the Property Managers.

Information on AmanahRaya REIT's properties and their respective Property Managers is detailed in the Overview of Properties under AmanahRaya REIT section in this Annual Report.

Property Enhancement and Refurbishment

To maintain and enhance the condition of the property and to boost the competitiveness and attractiveness of AmanahRaya REITs properties, scheduled Asset Enhancement Initiatives ("AEIs") are established. The AEIs also incorporate initiatives which potentially enable greater operational efficiency, as well as sustainability initiatives.

During the financial year under review, the key property enhancement and refurbishment works carried out include lift modernisation and repair of air conditioning and mechanical ventilation ("ACMV") at Vista Tower, and façade painting and repair of fire alarm panel at Menara Dana 13.

Further details on AmanahRaya REIT's AEI are available in the Management Discussion and Analysis section of this Annual Report.

DOING BUSINESS RESPONSIBLY

COMPLIANCE WITH LAWS AND REGULATIONS

AKRM has a Compliance Officer whose role is dedicated to ensuring the businesses of AKRM and AmanahRaya REIT are in compliance with the relevant legal and regulatory

Sustainability Statement

requirements, especially focusing on the laws, regulations, and guidelines relating to REITs which are governed by the Securities Commission Malaysia and Bursa. The Compliance Officer continuously ensure AKRM is regularly updated on developments of key legal and regulatory requirements and ensures that AKRM and/ or AmanahRaya REIT are aware of the developments and are prepared to address these developments.

The Compliance Officer is also responsible to ensure that AKRM, as the manager of AmanahRaya REIT, maintains its Capital Markets Services Licence and complies with Bursa's Listing Requirements as well as the Guidelines on Listed Real Estate Investment Trusts issued by the Securities Commission Malaysia, and other laws and regulations, especially those which, if not complied with, may affect the continuous operations or result in serious repercussions.

During the financial year under review and also in the two (2) immediate preceding financial years, there were no fines being levied on AmanahRaya REIT and AKRM in relation to non-compliance with laws and regulations as follows:

0 fines
FY2021

0 fines
FY2022

0 fines
FY2023

ETHICAL BUSINESS PRACTICES AND INTEGRITY

Code of Business Ethics and Vendor Code of Ethics

AKRM is committed to undertaking business ethically and with integrity. AKRM's expectation on ethical business practices and culture is enshrined in the Code of Business Ethics (the "Code"), which AKRM has adopted from Amanah Raya Berhad group of companies ("AmanahRaya Group").

The key elements of the Code are summarised as follows:

- conflict of interest situations - conflict of interest situations with AKRM's business counterparts, especially where purchasing, supplying or tender is concerned, shall be reported to the Chief Integrity Officer;
- gift and entertainment policy - the size of the gift and entertainment shall not appear to be able to impede independent judgement by the employee, and reasonable gift and entertainment allowed by the Code shall be reported to and approved by the relevant authorities within the AmanahRaya Group;

- gratification - prohibition of soliciting and receiving corrupt gratification and duty to report to the Chief Integrity Officer; and
- purchasing practices - purchasing practices of AKRM are guided by procedures and guidelines that include controls such as anti-money laundering checks on buyers and tenants, assessment by a tender committee, comparison of quotations, etc.

AKRM also has policies and procedures, as well as controls, in relation to anti-bribery and anti-corruption, anti-fraud, anti-money laundering and counter financing of terrorism, due diligence, integrity management, no-gift, sexual harassment, and conflict of interest. The policies are meant to communicate, deter, and prevent, as well as to allow concerns to be raised.

To ensure that all employees are aware of and understand the Code, AKRM requires all its employees to sign and acknowledge their commitment to the Code. Furthermore, AKRM also requires its suppliers, vendors, and business partners to adopt the business ethics principles and policies disclosed in AmanahRaya Group's Vendor Code of Ethics, which also governs tender practices such as non-collusion in the submission of tender. The practices include the provision for the vendor not to communicate the tender price with other parties, to independently assess the tender price without colluding with other bidders, and not to affect or induce other parties to submit or not to submit a tender.

In FY2023, all employees of AKRM have signed and acknowledged the Code, details as follows (data for FY2021 and FY2022 provided for comparison purposes):

100% acknowledgement
FY2021

100% acknowledgement
FY2022

100% acknowledgement
FY2023

Sustainability Statement

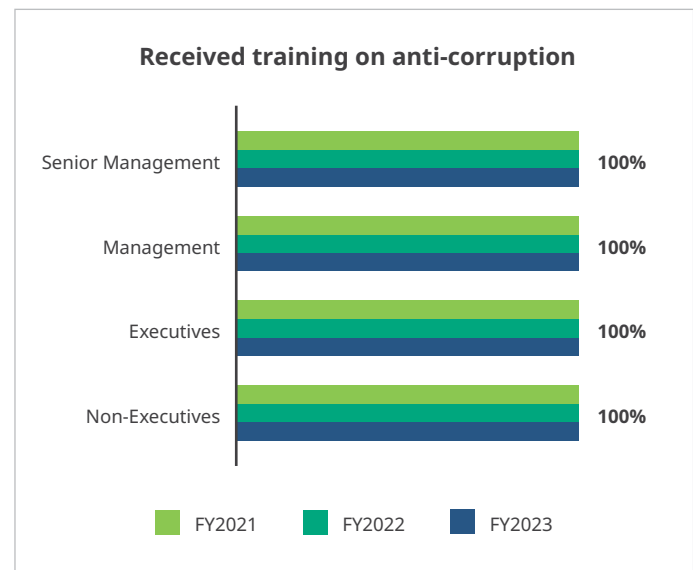
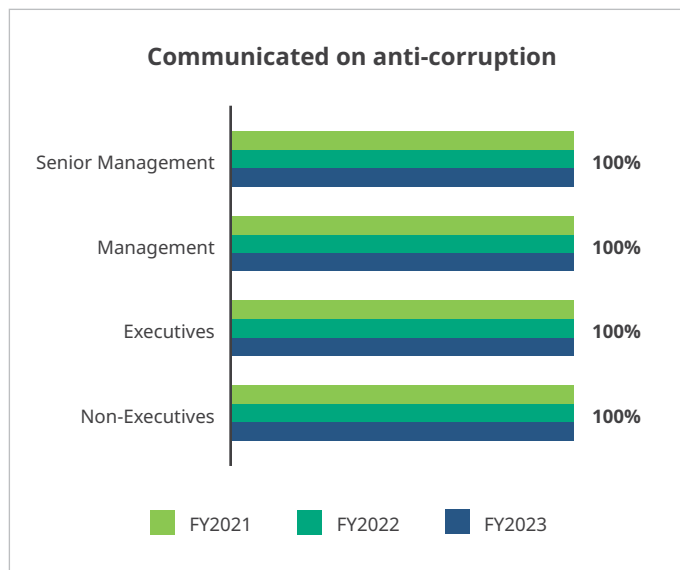
Anti-Bribery and Anti-Corruption

The Board of AKRM adopts a zero-tolerance policy against all forms of bribery and corruption and this is formalised in the AmanahRaya Group's Anti-Bribery and Anti-Corruption Policy. AKRM's anti-corruption management system is adopted from AmanahRaya Group and includes a risk-based approach towards corruption management. Corruption risk assessments have been conducted on all AKRM's functions and corresponding controls have also been considered and enhancement plans, if required, will also be established. The percentage of operations assessed for corruption-related risks for the Company are as follows:

Financial Year	Status	Percentage of Operations Assessed for Corruption-related Risks
FY2022	●	100%
FY2023	●	100%

All new employees are briefed on Anti-Bribery and Anti-Corruption through the induction programme, and subsequently are required to attend the online training in relation to anti-bribery and anti-corruption conducted by AmanahRaya Group's Human Capital Division. Furthermore, they are required to sign the Anti-Bribery Anti-Corruption Policy Declaration Form which serves as an acknowledgement and commitment to act with integrity.

All AKRM's employees have been communicated with and trained on anti-corruption and anti-bribery in the financial year under review as follows (data for FY2021 and FY2022 provided for comparison purposes):



Whistleblowing Mechanism

AKRM also adopts AmanahRaya Group's Whistleblowing Policy and Mechanism, which serve the purpose of encouraging internal and external stakeholders to raise concerns on any integrity matters or unethical business practices to the company. The Chief Compliance and Legal Officer is named as the person to whom reports shall be made. Protection against reprisals as a direct impact of making a disclosure is provided to whistleblowers to enable genuine reports to be made without fear of reprisal. The confidentiality of the report and the whistleblower's identity shall also be maintained.

Sustainability Statement

During the financial year under review, there were no incidents in relation to corruption or whistleblowing cases being reported / received, details of which are as follows (data for FY2021 and FY2022 provided for comparison purposes):

Corruption incidents			Whistleblowing cases		
0 case FY2021	1 case* FY2022	0 case FY2023	0 case FY2021	1 case* FY2022	0 case FY2023

Note : The case that occurred in FY2022 was investigated and concluded in FY2023. The Management has taken actions including investigating in accordance with our established SOP, enhancing the internal controls, and terminate the service of the staff involved*



The practices adopted in our working environment and the stance of our Board to avoid and prevent unethical business practices, such as bribery and corruption, are aligned with Goal 16 of SDG, “peace, justice and strong institutions”, contributing to reducing corruption and bribery in all their forms.

CYBERSECURITY AND DATA PROTECTION

AKRM's employees are governed by the established AmanahRaya Group's policies and procedures on the protection, proper handling, and proper use of data including personal data and sensitive data. Our IT services are provided by the Group-level IT function of AmanahRaya Group and include various cybersecurity-related controls such as antivirus systems, data backup, firewalls, and others. New AKRM employees are also communicated on such policies and procedures during their onboarding.

As for the data of the tenants of AmanahRaya REIT's properties, they are kept and maintained by the respective Property Managers. Hence, AmanahRaya REIT has in the Property Management Agreement signed with the Property Managers, included a clause on confidentiality, requiring Property Managers to protect data of the tenants.

There were no substantiated complaints concerning breaches of customer privacy and losses of customer data reported for the financial year under review and also in the two (2) immediate preceding financial years as follows:

0 case FY2021	0 case FY2022	0 case FY2023
------------------	------------------	------------------

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

As a Malaysian business, AmanahRaya REIT does not only focus on its financial performance but also its ability to create positive value for Malaysia and its economy. In this regard, we also acknowledge our responsibility in supporting a sustainable and ethical business environment in our operations and our supply chain.

Our supply chain mainly involves the procurement of services such as property managers, technicians, and contractors. These suppliers (including service providers) are subjected to due diligence checks to ensure we select ethical and capable suppliers and service providers to work with. Our due diligence includes the following considerations, amongst others:

- financial strength;
- validity of company;
- previous and current projects or achievements; and
- detailed company background check.

AKRM communicates its key policies to suppliers to ensure they understand AKRM's expectations and stance on corporate responsibility such as ethical business practices and anti-corruption.

AKRM also supports the local economy through its procurement activities by prioritising local suppliers where practical and possible. Purchasing local may also be more operationally efficient, economical, and possibly more environmentally friendly due to factors such as shorter travelling distances, familiarity with the local environment and consumers, and others.

Sustainability Statement

During the financial year under review and also in the two (2) immediate preceding financial years, 100% of AKRM's procurements are attributable to spending on local suppliers.

100% local procurement

FY2021

100% local procurement

FY2022

100% local procurement

FY2023



The practices adopted by AKRM and AmanahRaya REIT in supporting the local economy are aligned with Goal 8 of SDG, "decent work and economic growth", contributing to promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises.

THE PEOPLE AND SOCIETY

HEALTH, SAFETY, AND SECURITY

Health, Safety and Security of AmanahRaya REIT's Properties

AKRM views the safety and security of AmanahRaya REIT's properties seriously. Although the Property Managers are responsible for overseeing and monitoring safety and security matters at the respective properties, AKRM maintains close engagement with the Property Managers to understand any safety and health issues arising. Property Managers submit monthly management reports to AKRM including any accidents or incidents during the reporting period, as well as the root causes and action plans to avoid future recurrence.

AKRM regularly monitors compliance with safety standards and regulations by its properties, while the responsibility to ensure compliance lies with the Property Managers. Property Managers also ensure that fire-fighting systems are in place

and effective and fire drill is conducted at least once a year for the annual renewal of the Fire Certificate by the Fire Rescue Department. During the financial year under review and also in the immediate preceding financial year, AmanahRaya REIT's properties have complied with all Fire Certificates and fire safety requirements.

We also ensure our vacant properties, namely Toshiba TEC Malaysia and Ex-Holiday Villa, are safe from unauthorised access and use to protect public safety. These properties are properly fenced off with security guards deployed on-site, as well as having closed-circuit televisions installed for monitoring purposes.

During the financial year under review, we noted no major accidents or incidents were reported by the Property Managers, details of which are as follows (data for FY2021 and FY2022 provided for comparison purposes):

0 case

FY2021

0 case

FY2022

0 case

FY2023

Health, Safety and Security at the Workplace

AKRM is also committed to providing a safe and healthy working environment for its employees. AKRM has a target of zero serious work-related injuries for its employees whose workplaces are commonly based at AKRM's office with occasional site visits to properties, including potential target properties for investments.

Safety briefings are provided to employees, particularly those who are conducting visits to premises which are under construction, renovation, or maintenance, to ensure these employees are well-equipped with the knowledge and equipment to protect themselves, manage safety risks, and respond to accidents or emergencies. Relevant protective equipment such as hard hats is provided to employees as well.

For the financial year under review, we are pleased to report that there were no cases of work-related fatality or serious injury among AKRM's employees, details of which are as follows (data for FY2021 and FY2022 provided for comparison purposes):

Sustainability Statement

Work-related fatality

0 case
FY2021

0 case
FY2022

0 case
FY2023

Serious injury

0 case
FY2021

0 case
FY2022

0 case
FY2023

Lost time incident rate

0
FY2021

0
FY2022

0
FY2023

Health and Safety Training

In FY2023, in addition to a fire drill which has been conducted at our headquarters and safety-related training provided by the Fire Rescue Department to all our employees, the following training sessions were also carried out and provided to all relevant employees:

- Briefing on Basics of Fire and Fire Certificate for all OSHA Committee Members;
- Briefing on Basics of Fire and Fire Certificate for Employees; and
- Defensive Driving - Sleep & Fatigue Management for Drivers.

Further to the above, regular information and knowledge updates on personal and workplace safety and health are also provided by Amanah Raya Berhad to AKRM employees from time to time, and all new staff will be briefed on health and safety during the induction programme and are also required to attend online training on health and safety. The number of employees trained on health and safety standards during the financial year are as follows (data for FY2021 and FY2022 provided for comparison purposes):

14
FY2021

8
FY2022

7
FY2023

EQUAL OPPORTUNITY AND NON-DISCRIMINATION

AKRM believes that everyone shall have access to equal opportunities and be free from discrimination, regardless of their gender, age, race, religion, colour, national origin, marital status, disability, or veteran status, especially in AKRM's human capital management practices from recruitment to career progression.

AKRM assesses and selects employees and candidates based on their experience, credentials, merits, and achievements. Employees are also given the opportunity to further their career progression based on merits and performance without preference or prejudice based on gender, age, race, religion, colour, national origin, marital status, disability, or veteran status.

The Code also protects the equal treatment of employees by encouraging employees to report in accordance with the established procedures when they feel that they have been harassed or discriminated against.

We are pleased to report that there were no reported cases of discrimination or harassment noted and no substantiated complaints concerning human rights violations reported during FY2023, details of which are as follows (data for FY2021 and FY2022 provided for comparison purposes):

Discrimination or harassment

0 case
FY2021

0 case
FY2022

0 case
FY2023

Substantiated complaints concerning human rights violations

0 case
FY2021

0 case
FY2022

0 case
FY2023

Sustainability Statement

Staff strength

As of 31 December 2023, the breakdown of AKRM's headcount (covering the Board and employees) are summarised as follows (data for FY2021 and FY2022 provided for comparison purposes):

Board of Directors

Age	FY2023		FY2022		FY2021	
	Male	Female	Male	Female	Male	Female
≤ 30	-	-	-	-	-	-
31-40	-	12.5%	-	-	-	-
41-50	12.5%	-	22.2%	11.1%	37.5%	-
≥ 50	50%	25%	55.6%	11.1%	50%	12.5%

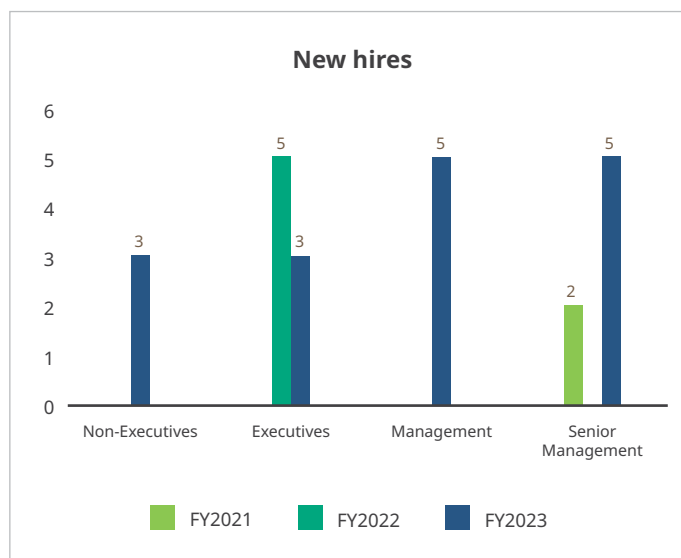
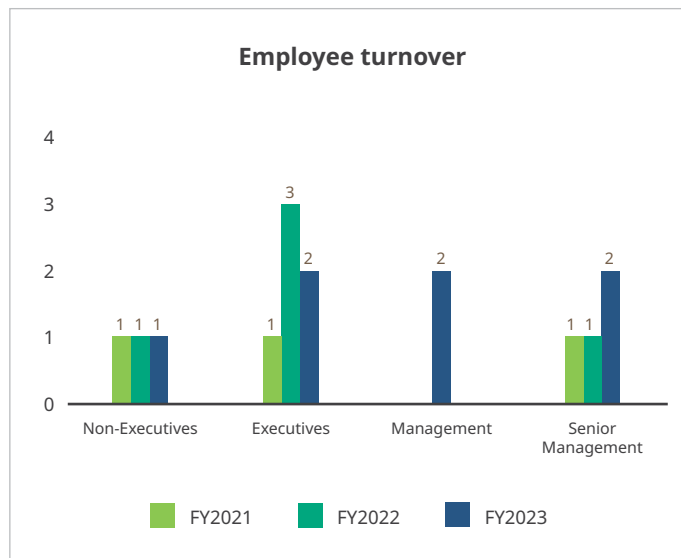
Employee

Age	FY2023		FY2022		FY2021	
	Male	Female	Male	Female	Male	Female
Senior Management						
≤ 30	-	-	-	-	-	-
31-40	3%	3%	6%	-	3%	3%
41-50	7%	3%	-	-	7%	3%
≥ 50	3%	10%	-	6%	3%	10%
Management						
≤ 30	-	-	-	-	-	-
31-40	13%	7%	6%	-	13%	7%
41-50	3%	-	6%	-	3%	-
≥ 50	-	-	-	6%	-	-
Executives						
≤ 30	3%	10%	-	23%	3%	10%
31-40	7%	3%	23%	6%	7%	3%
41-50	-	10%	-	6%	-	10%
≥ 50	-	-	-	-	-	-
Non-Executives						
≤ 30	3%	9%	-	6%	3%	9%
31-40	-	-	-	-	-	-
41-50	3%	-	6%	-	3%	-
≥ 50	-	-	-	-	-	-

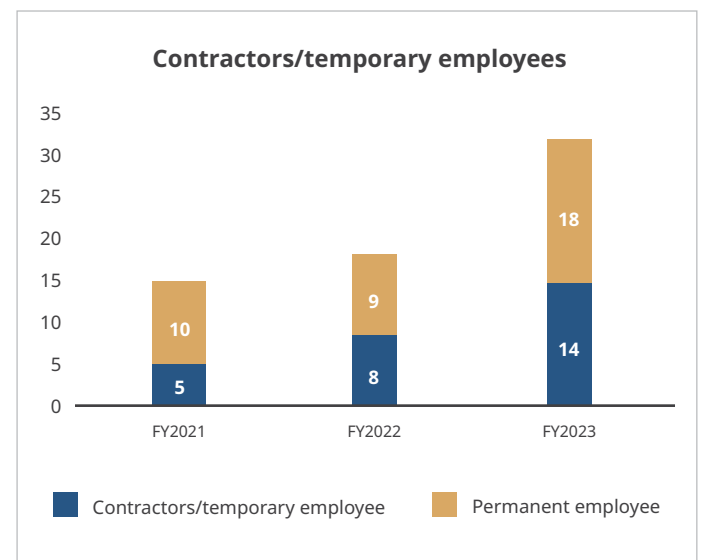
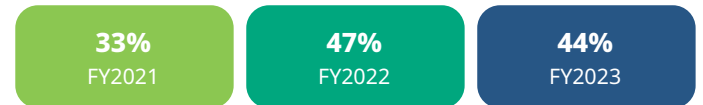
Sustainability Statement

Due to the different nature and functions of AmanahRaya REIT's properties, employees of our Property Managers may also work in our properties where their work environment is generally controlled by the Property Managers.

Further to the staff strength stated above, there were also employee turnover and new hiring during the financial year under review, details of which are as follows (data for FY2021 and FY2022 provided for comparison purposes):



In relation to the staff strength above, the number of employees that are contractors or temporary employees during the financial year are as follows (data for FY2021 and FY2022 provided for comparison purposes):



The principle and practices of providing equal opportunities and prohibiting discrimination are aligned with Goals 5 and 10 of SDG on "gender equality" and "reduced inequalities", contributing to reducing discrimination in all forms and promoting equal opportunities to all, regardless of race, colour, religion, gender, age, etc.

Sustainability Statement

TALENT RETENTION, PROFESSIONAL DEVELOPMENT, AND SUCCESSION PLANNING

AKRM and AmanahRaya REIT recognise human and intellectual capital as intangible assets. A suitable mix of skills, talents, and leadership among our employees is the key to success in management as well as business sustainability.

The skills and talents required for effective functioning of AKRM's business and operations are assessed and reviewed by AKRM from time to time to form AKRM's human capital management strategies, including determining if additional recruitment or training is required. All employees of AKRM are subjected to AmanahRaya Group's annual performance appraisal program. The performance appraisal is performed in a two-way discussion between the employee and his/her superior. The purpose of conducting the session in open communication is to understand the strength and contributions and to assess the existing or potential weaknesses and continuous improvement opportunities for employees and superiors. Apart from assessing work performance, our employees are also encouraged to share their career aspirations with AKRM to enable AKRM to provide relevant support for their career development, such as additional training or enhanced roles and responsibilities. High-performing employees may also have the opportunity for internal transfer or promotion to other departments within the AmanahRaya Group.

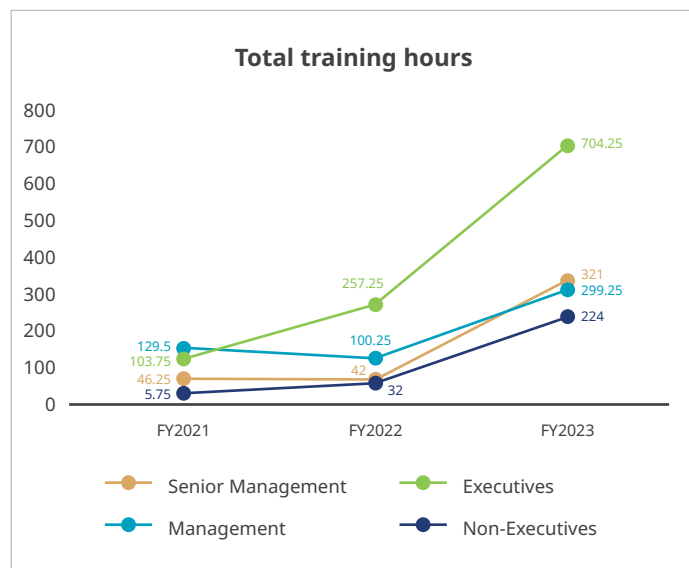
These employee engagement activities and employee development programs not only provide opportunities for employees to improve and enhance their working experience and career satisfaction, but they also provide a chance for AKRM to assess potential leaders and talents for its succession plans. The Human Capital Division of AmanahRaya Group and the Senior Management of AKRM also communicate from time to time on succession planning matters to ensure longer-term business continuity in AKRM and its operations.

AKRM's employees are provided with ongoing personal and professional development programs and training. The training topics attended by our employees in FY2023 include the following:

- Financial Analysis as Strategic and Operational Management Tool;

- Fraud and Financial Scandals: Trends, Red Flags and Mitigations;
- Revvng Up the Race for Sustainability;
- Incorporating ESG into Business and Real Estate Valuation Models;
- Cyber Risk Awareness; and
- Training topics relating to safety and health reported in the HEALTH, SAFETY, AND SECURITY – **Health and Safety Training** section above.

AKRM has set a target which required all its employees to attend at least 16 hours of training per year. For FY2023, 69% AKRM employees attended at least 16 hours of training. The total hours of training by employee category for FY2023 are presented as follows (data for FY2021 and FY2022 provided for comparison purposes):



The target of attending at least 16 hours of training indirectly encourages our employees to enhance and improve their skills and talents via relevant training is aligned with Goal 4 of SDG, "quality education", eliminating discrimination in education and providing equal access to technical education.

Sustainability Statement

EMPLOYMENT BENEFITS

AKRM aims to build a working environment that promotes positive thinking, personal and professional enhancement, and supports career satisfaction as well as work-life balance. Our employees are provided with employee benefits beyond the minimum requirements from applicable laws and regulations. The benefits provided to AKRM's employees are as follows:

- leaves such as study leaves and Haj leaves;
- medical benefits such as hospitalisation/ surgical insurance, Group Term LIFE Insurance, outpatient, and maternity benefits;
- education assistance; and
- training and development opportunities.

AKRM's employees are provided with compensation packages and competitive remuneration which are commensurate with their workload, roles, and responsibilities. Performing employees who meet their performance targets may be further rewarded, such as with bonuses or other incentives, to ensure our employees are incentivised and motivated.

AKRM and the Human Capital Division of AmanahRaya Group review the employee benefits regularly to ensure that the benefits and compensation remain competitive and relevant in the market.

COMMUNITY INVESTMENT

From time to time, AKRM supports and participates in AmanahRaya Group's corporate social responsibilities ("CSR") programmes to contribute to society and those in need of support such as vulnerable communities so that no one gets lefts behind as we grow as a nation. At times, AKRM also participates in external community programmes to contribute to society in various possible ways.

During the financial year under review, AKRM has donated RM5,000 to Pertubuhan Dalam Komuniti Selayang, a Non-Governmental Association-NGO that provides rehabilitation, learning, training, skills training, motivation and advisory in relation to human development for people with disabilities and their family members.

The total amount invested in the community by AKRM during the financial year under review and in the two (2) immediate

financial years are as follows (data for FY 2021 and FY2022 provided for comparison purposes):

RM25,000/FY2021
215 estimated beneficiaries

RM13,000/FY2022
200,000 estimated beneficiaries

RM5,000/FY2023
100 estimated beneficiaries

THE ENVIRONMENT

The efficient use of resources and materials in properties is also for sustainable and efficient building operations. Where possible, we reduce and enhance the use of resources such as electricity, water, and other resources in AmanahRaya REIT's properties.

In FY2022, we began to collect data on the use of resources (including water and energy) and waste generated at our properties to analyse patterns and trends to determine if the properties are utilising resources efficiently and if there are any further potential enhancement opportunities. Continuous efforts are currently being undertaken to collect data on all properties to facilitate better resource management at our properties in the future.

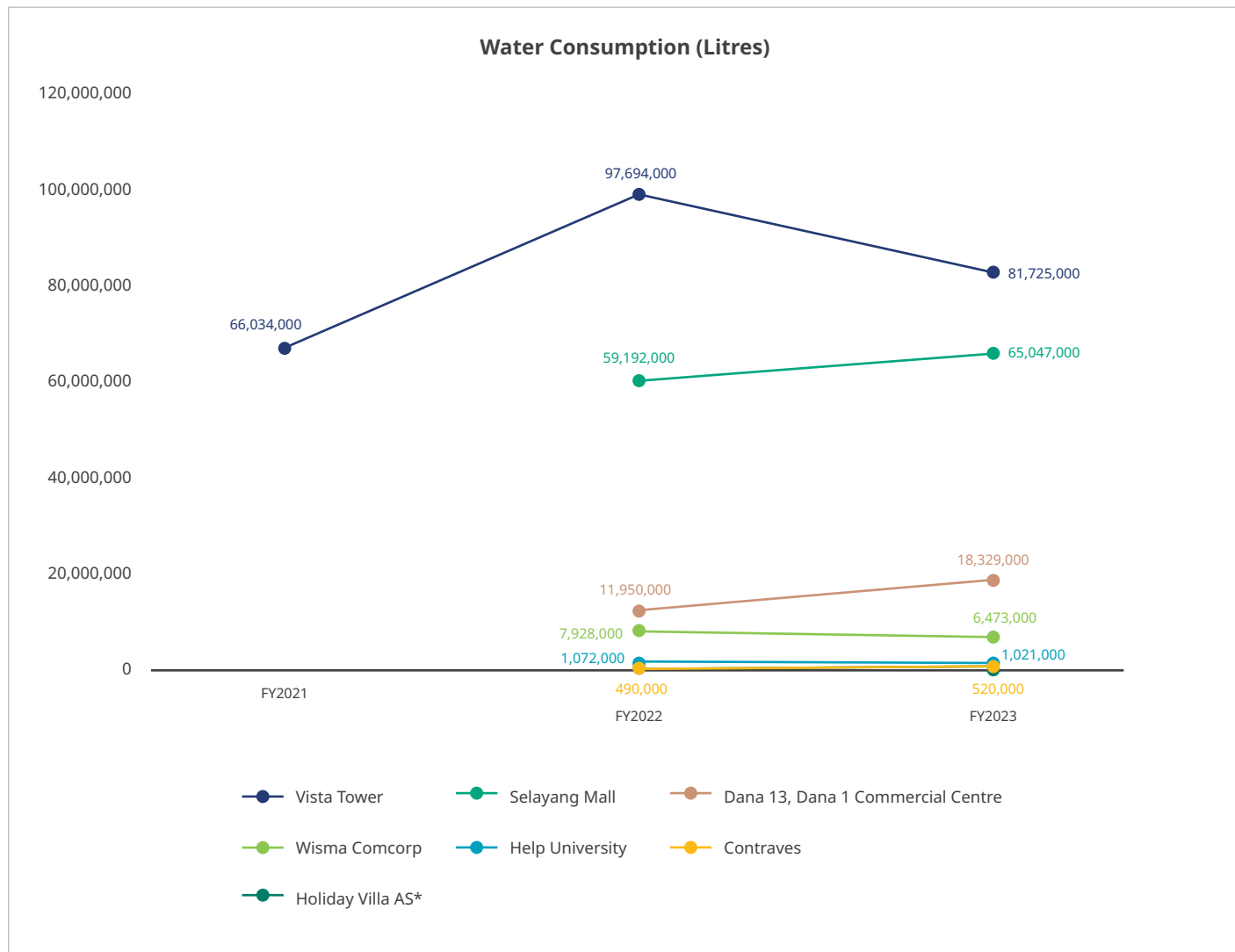
WATER MANAGEMENT

While AmanahRaya REIT properties are not located in water-stressed areas, they may occasionally face water disruptions arising from issues at the municipal level. To ensure the properties have a sufficient and continuous supply of water to serve the needs of the tenants, Property Managers implement various approaches such as regular monitoring of water tank levels and have in place contingency plans such as access to emergency water suppliers.

Through the Property Managers, we also continuously identify opportunities to enhance water efficiencies at the properties and engage with stakeholders to promote water conservation and responsible water usage practices.

Sustainability Statement

The water consumption data for our properties in FY2023 is summarised as follows (data for FY 2021 and FY2022 provided for comparison purposes):



ENERGY AND EMISSIONS MANAGEMENT

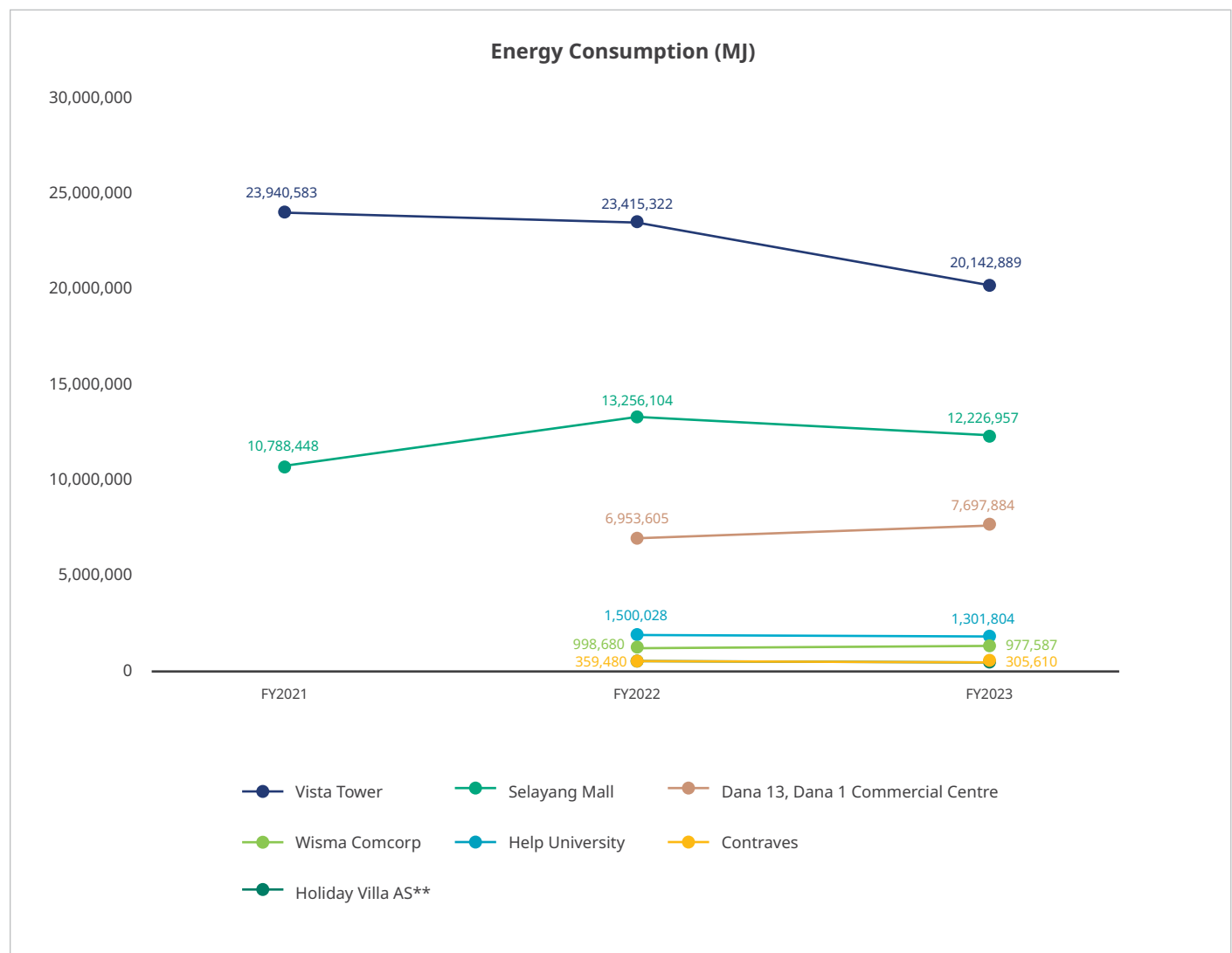
Energy, particularly electricity use, is not only a key resource used in buildings but may also constitute a significant portion of the expenses of operating a building and supporting tenant activities. Property Managers provide monthly reports on electricity use for AmanahRaya REIT properties with full-management arrangements. For other properties, AKRM also discusses with Property Managers on initiatives to enhance the energy efficiency of properties, which may also provide certain level of competitiveness for AmanahRaya REIT properties through lower building expenses in general.

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One of AmanahRaya REIT's key initiatives was the optimised usage of cooling towers and air-handling units ("AHU") based on real-time usage (i.e. central air-conditioning system), to reduce electricity use during non-peak time periods. In addition, the majority of the lighting systems at Selayang Mall and other key office buildings have been converted to LED lighting systems.

During the financial year under review, key projects and approaches to reduce electricity usage included the installation of LED lighting system at the common area for Wisma Comcorp, installation of LED lighting system at the lobby of Dana 13, and optimisation of Water-Cooled Packaged Unit ("WCPU") usage at HELP University.

Electricity is the most significant source of energy at all AmanahRaya REIT properties. The electricity consumption data for our properties in FY2023 is summarised as follows (data for FY 2021 and FY2022 provided for comparison purposes):

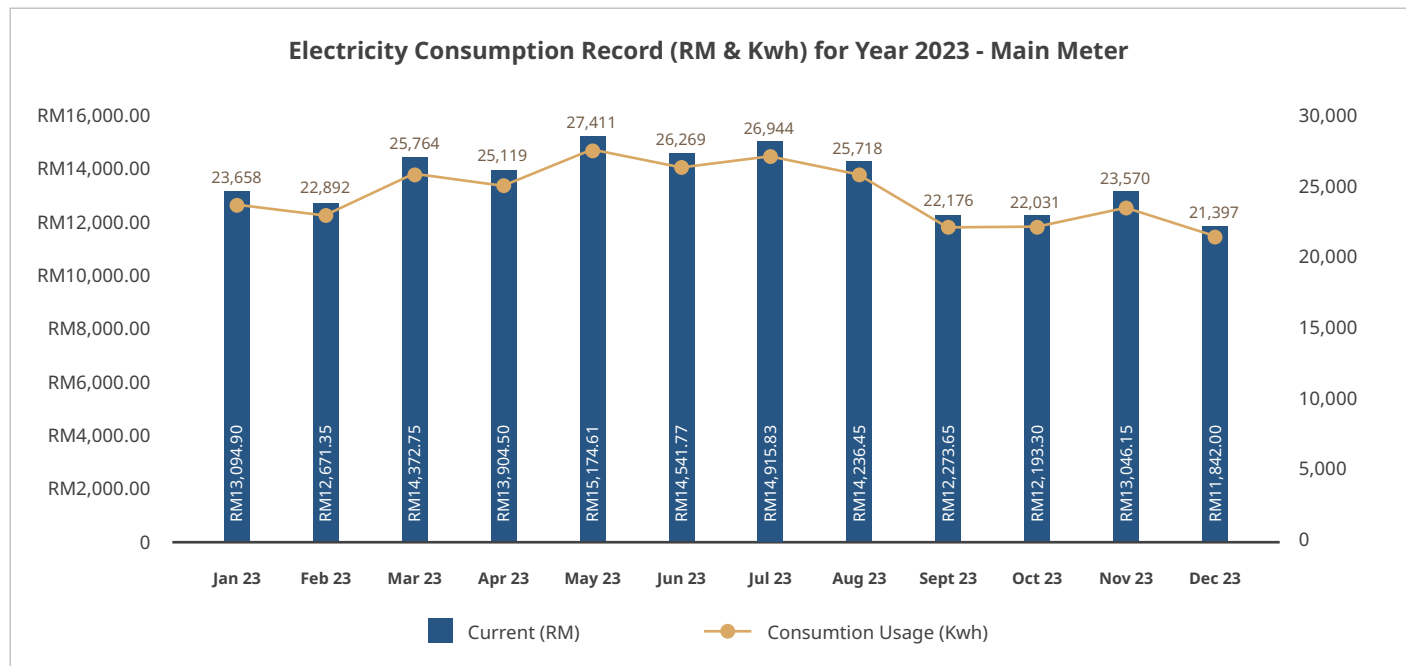


Note* : Held for sale

Note** : In the midst of disposal

Sustainability Statement

With the installation of the LED lighting at Wisma Comcorp in July 2023, there was a reduction in electricity consumption as evident in the months from August to December 2023 as shown below:



We will continue replacing the LED lighting at Wisma Comcorp by phases to further reduce the electricity consumption.

Emissions Management

Controlling energy use and enhancing energy efficiency is one of the key measures to support the global fight against climate change. AKRM is currently in the progress of identifying the possible sources of emissions, including Scope 1, Scope 2, and certain categories of Scope 3 emissions to facilitate emissions reporting in the future.

WASTE AND EFFLUENTS MANAGEMENT

Waste and effluent management is another area where we will have enhanced focus moving forward. Most of the waste management activities of AmanahRaya REIT's properties are undertaken by third-party service providers. All waste and effluent management processes of AmanahRaya REIT's properties are compliant with the relevant laws and regulations.

AKRM will be engaging closely with Property Managers to understand and prioritise the waste handling efforts, as well as identifying improvement areas to enhance the waste and effluent management processes of AmanahRaya REIT's properties.

TOWARDS A MORE SUSTAINABLE FUTURE

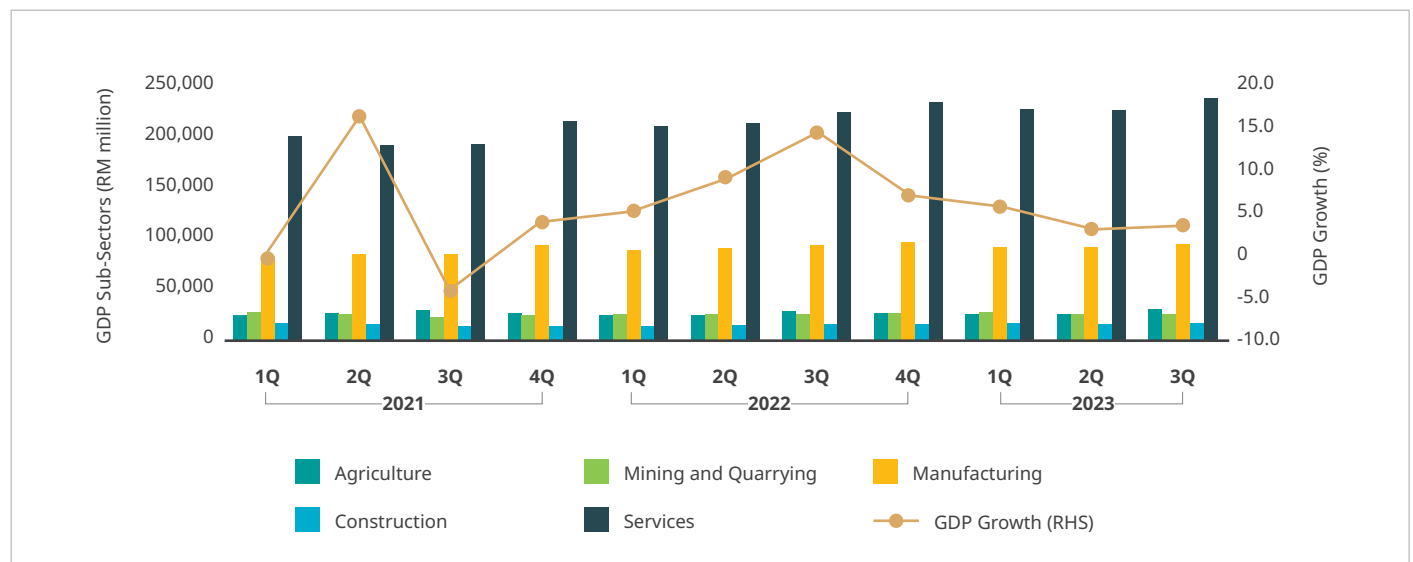
AKRM acknowledges that there is a need to strike a balance between the AmanahRaya REIT's financial performance and longer-term sustainability of the properties' operations. AKRM will undertake continuous efforts, including engagements with relevant stakeholders, establishing, and maintaining processes for data collection and analysis, as well as processes to manage and enhance the sustainability performance of AKRM, including the sustained creation of financial, environmental, and social values for AmanahRaya REIT and stakeholders.

Property Market Overview

Economic Overview

Malaysia's Gross Domestic Product (GDP) grew 3.3% year-on-year in the third quarter of 2023 (3Q 2023). Growth was underpinned by resilient domestic demand, continued improvement in labour market conditions, further recovery in tourism activity, and higher construction activity. Growth in 3Q 2023 was primarily driven by the Services and Construction sectors. The economy posted 3.9% GDP growth over the first three quarters of the year.

GDP by Sectors at Constant Price



Source: Bank Negara Malaysia, CBRE | WTW Research & Consulting

Foreign Direct Investment (FDI) registered a higher RM7.2 billion net inflow in 3Q 2023, doubled from the RM3.1 billion recorded in the previous quarter. Higher FDI was fueled by greater debt inflows and ongoing equity injections from foreign investors. The Services and Mining & Quarrying sectors attracted the largest FDI, primarily from Hong Kong, China, the UK, Singapore, and Japan.

Consumer Price Index (CPI) recorded 130.7 points in 3Q 2023, up from 130.2 points in 2Q 2023. In September 2023, Malaysia's inflation rate of 1.9% remained lower than Philippines (6.1%), South Korea and Vietnam (3.7%), the United States (3.7%), and Indonesia (2.3%).

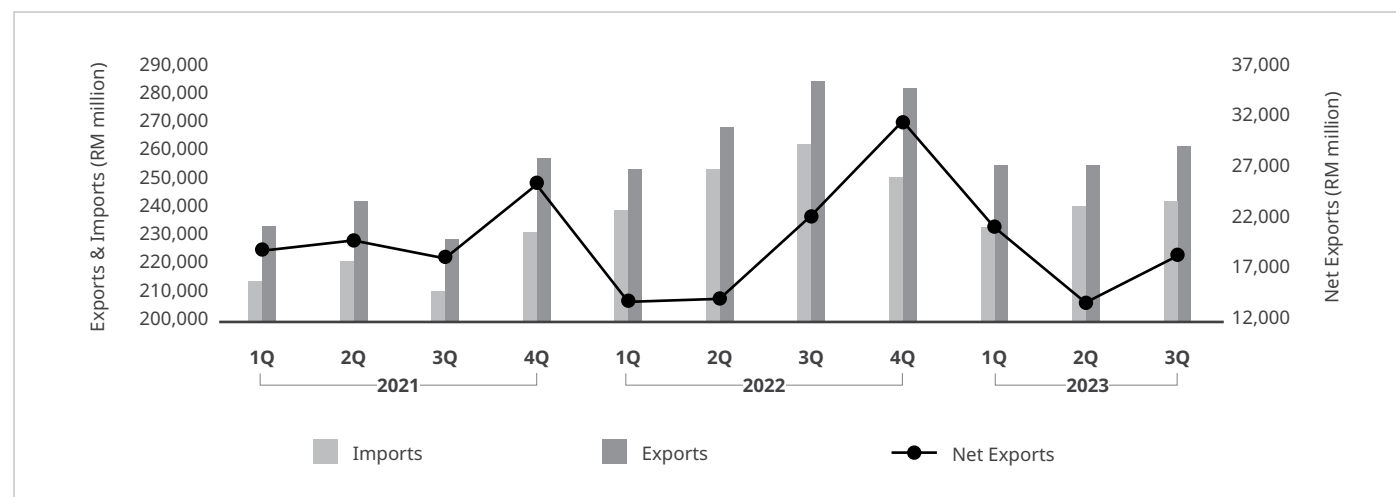
Export growth remained weak, reflecting base year impacts and the economic slowdown in key markets, particularly the European Union and mainland China. Moderating global demand for electrical and electronics (E&E) products added to export headwinds.

BNM reported that the ringgit depreciated 0.2% against the US dollar in 3Q 2023, owing to broad US dollar strength following US policy rate hikes. Overnight Policy Rate (OPR) was kept steady at 3.0% subsequent to the sole increase of 25 basis points in May. OPR is projected to remain unchanged throughout 2024, as monetary policy stance continues to be supportive.

Labour market conditions improved further in 3Q 2023, as labour force participation rate rose to a historical high of 70.1% (cf. 3Q 2022: 69.4%). Labour force position remained in a positive growth trend, with a marginal increase in the number of employed persons, while the unemployment rate dipped to 3.4% (cf. 3Q 2022: 3.7%).

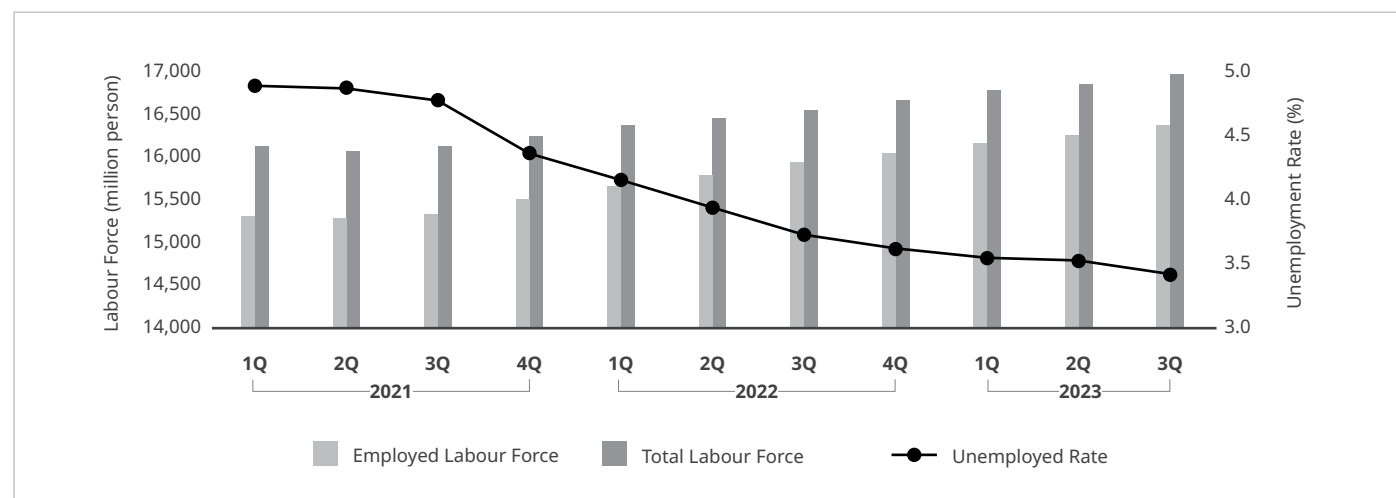
Property Market Overview

Exports and Imports of Goods & Services



Source: Bank Negara Malaysia, CBRE | WTW Research & Consulting

Total Labour Force, Employed Labour Force and Unemployed Rate



Source: Department of Statistics Malaysia, CBRE | WTW Research & Consulting

Looking forward, the Malaysian economy continues to see stable GDP growth of 4.0% to 5.0%¹ in 2024, with inflation to remain modest. Growth will be supported by sustained domestic spending, positive job market conditions, increasing tourism activities, and recovery in external trade. Exports are anticipated to see a gradual recovery, bolstered by the pick up in global tech cycle and higher inbound tourism activity. In the second half of 2024, the ringgit is projected to appreciate against US dollar towards the 4.40 level², on account of the increase of sales and services tax rate to 8.0%, which would generate additional revenue for the government and strengthen the fiscal position. Investment will be supported by further progress of multi-year infrastructure projects and the implementation of catalytic initiatives. However, growth momentum remains subject to downside risks, particularly the heightened geopolitical tension and slower than expected recovery in external demand.

¹ Projection by Bank Negara Malaysia (BNM)

² Projection by Malaysian Institute of Economic Research (MIER)

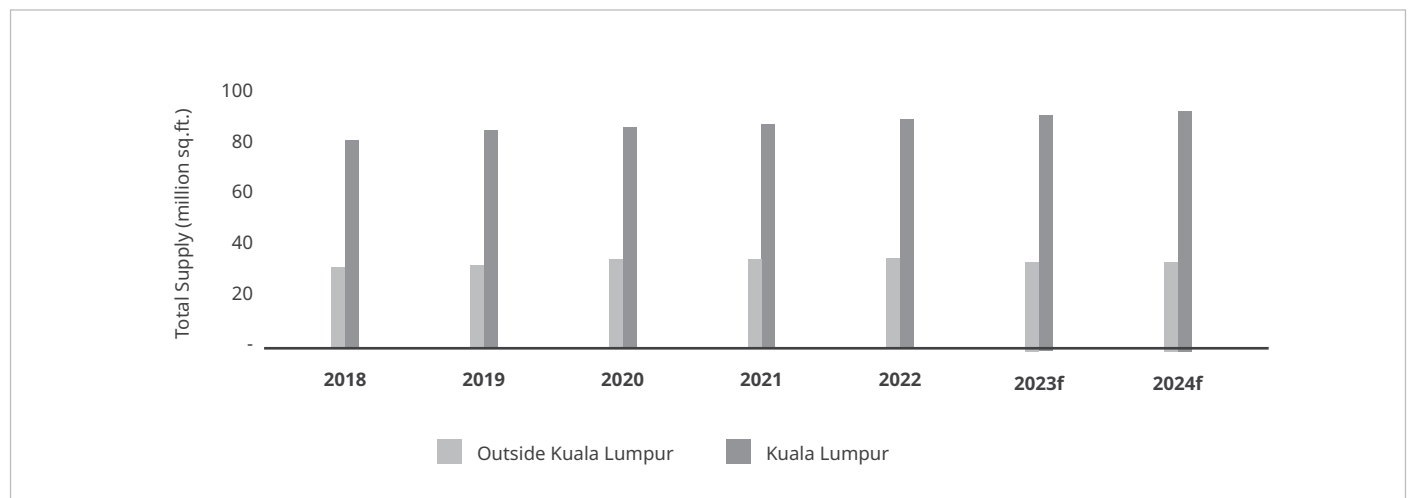
Property Market Overview

Purpose-Built Office¹ Sector

SUPPLY OF PURPOSE-BUILT OFFICE SPACE IN KLANG VALLEY

As of 3Q 2023, the cumulative Purpose-built Office (PBO) supply in Klang Valley stood at circa 121.9 million sq.ft., of which 72.0% of the supply is in Kuala Lumpur (KL) and 28% is in Outside Kuala Lumpur (OKL). Prime PBO accounted for 47.0% (57.7 million sq.ft.) of the total supply and majority of the Prime PBO are concentrated in KL area.

Cumulative Supply of Purpose-built Office Space in Klang Valley, 2018 to 2024f



Abbreviation: sq.ft. - square feet; RHS - right-hand-side; f - forecast

Source: CBRE | WTW Research & Consulting

Between 2023 and 2025, the PBO supply in the Klang Valley is anticipated to increase at a Compound Annual Growth Rate (CAGR) of 2.0%, adding more than 4.9 million sq.ft. in the interim period. By the end of 2024, it is anticipated that the total supply of PBO in Klang Valley will amount to 125.9 million sq.ft., owing to the significant completions of Merdeka 118, Aspire Tower, TNB GOLD Tower, Oxley Tower @ KLCC, and Menara Felcra. The new completions in 2024 are focused in KL, with around 2.2 million sq.ft. in the Central KL (CKL) area and another 1.6 million sq.ft. in the Metropolitan KL (MKL) area.

¹ Based on WTW Research, purpose-built offices ("PBO") in the Klang Valley may be referred to as private modern and free standing multi-storey buildings with present day conveniences, amenities and adequate car parking facilities for tenants/ visitors and aged not more than 30 years although we may include offices which have undertaken major refurbishment works and office building(s) within an integrated commercial development, focusing on prime space. Prime PBO space refers to buildings with high quality modern space, largely column free and includes recent generation of building services and amenities. These buildings are situated in premier location and possibly in major suburban towns.

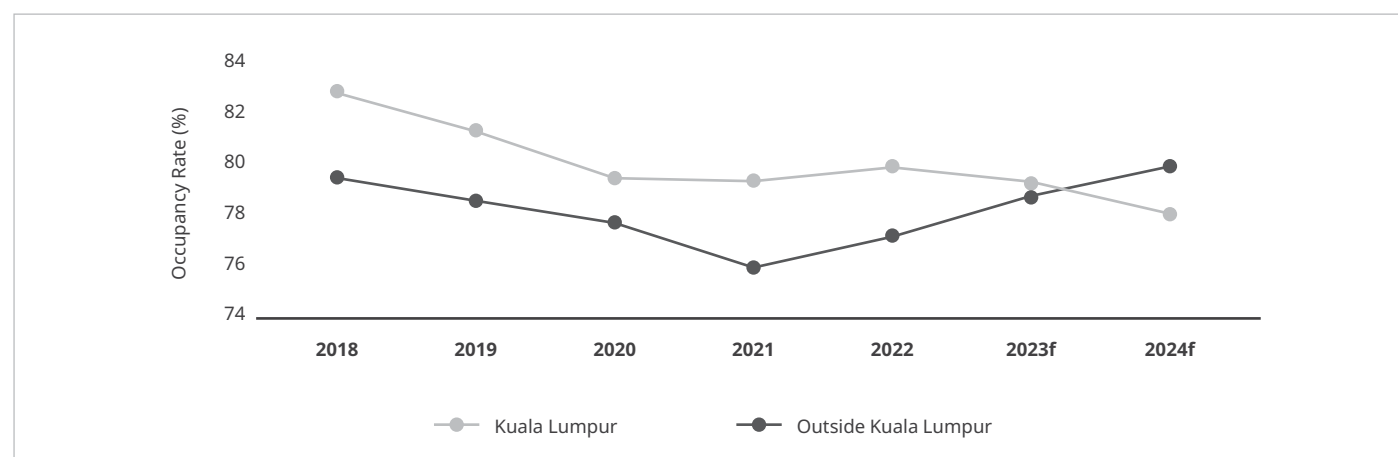
Note: As a guide, PBO has at least 100,000 sq.ft. Net Lettable Area (NLA) however, PBO having less than that in Cyberjaya are included in our survey. Strata office or office suites developments, also marketed as SOVO, SOLO and SOFO, are excluded from our definition of PBO.

Property Market Overview

THE PERFORMANCE OF PURPOSE-BUILT OFFICE IN KLANG VALLEY

The occupancy rate of PBO in Klang Valley held steady at 79.2% in 3Q 2023 (cf. 2Q 2023: 78.9%; 3Q 2022: 79.3%). The KL's occupancy rate experienced a marginal increase of 0.5% quarter-on-quarter, to reach 79.6% in 3Q 2023. Similarly, OKL's occupancy rate also increased slightly to reach 78.4%. Throughout 2024, the occupancy rate in OKL is anticipated to climb due to a scarcity of available supply.

Occupancy Rate of Purpose-built Office in Klang Valley, 2018 to 2024f



Abbreviation: f - forecast

Source: CBRE | WTW Research & Consulting

Locality	Average Rental Rate (RM per sq. ft. per month)
Kuala Lumpur Golden Triangle	RM5.00 – RM12.50
Petaling Jaya	RM4.50 – 6.00
Subang Jaya	RM4.00 – RM5.80
Putrajaya / Cyberjaya	RM3.50 – RM5.30

Source: CBRE | WTW Research & Consulting

The average prime rental rate for PBO in Klang Valley stood at RM6.80 per sq. ft., yielding between 5.5% and 6.0% as of 3Q 2023.

In 2023, there was a noticeable rise in the establishment of business centres and regional hubs in Klang Valley's PBO by multinational corporations and international organisations. As such, Tesla established its Malaysian headquarter (HQ) in Cyberjaya in October. Presently, this automotive and energy company is occupying at a two-storey complex that offers an estimated net lettable area (NLA) of 55,000 sq. ft.

Other notable multinational companies that have established their corporate offices in the Klang Valley includes: ARC Group (global financial services firm) at Equatorial Plaza Tower, Investors Trust (international insurer) at Exchange 106, London Stock Exchange Group (stock exchange group) at Menara Prestige, ATB Riva Calzoni (oil and gas) at Menara Maxis, and Gerson Lehrman Group (financial & global information services) at Q Sentral.

In light of the post-pandemic global business environment, multinational corporations are reevaluating and expanding their international offices. Kuala Lumpur is well-positioned to be a hub for international business that are favoured by many multinational companies due to its strategic location, modern infrastructure and good connectivity, economic stability, and access to skilled and diverse workforce.

Property Market Overview

SELECTED TRANSACTIONS OF PURPOSE-BUILT OFFICE IN KLANG VALLEY

In 2023, several notable transactions was documented for the PBO in Klang Valley.

Property Details	Locality	NLA (sq.ft.)	Consideration	Buyer	Purpose
Bangunan KWSP Damansara Fairway	MKL	65,735	RM24 million (RM365 psf)	LKL Advance Metaltech Sdn Bhd	Business/Space expansion
Menara TM Semarak	CKL	324,155	RM72 million (RM222 psf)	Titijaya PMC Sdn Bhd & Titijaya South Asia Sdn Bhd	Investment
3 Damansara Office Tower	MKL	101,246	RM52 million (RM514 psf)	Lagenda Harta Sdn Bhd	Investment
Menara Apex	GKL	106,000	RM55 million (RM519 psf)	New Era Edu Sdn Bhd	Investment
Oxley Tower@ KLCC	CKL		RM406 million	Alliance Bank Malaysia Bhd (ABMB)	As the new corporate office of ABMB Group

Abbreviation: MKL - Metropolitan Kuala Lumpur; CKL - Central Kuala Lumpur; GKL - Greater Kuala Lumpur; NLA - Net Lettable Area; sq.ft. - square feet; psf - per square foot

Source: Bursa Malaysia Announcement

OUTLOOK

Increasing demand for green-buildings

An uptick in leasing enquiries and the entry of new international offices and business hubs are expected to sustain a stable market demand in Klang Valley. There is a growing demand for more refined and flight-to-green workplaces, particularly among multinational corporates (MNCs). These corporations are prepared to pay a slightly higher premium for Grade A office space located in well-connected areas and fitted with environmental, social, and corporate governance (ESG) features and enhanced amenities. The preference for Grade A PBO buildings in Klang Valley by MNCs reflects a combination of environmental conscious, corporate image and branding, regulatory compliance and a focus on long-term investment. As MNCs prioritise sustainability, the trend of occupying green-office buildings is anticipated to persist and grow.

Relocation to new buildings

There is an increasing trend among corporations and financial institutions that have relocated or plan to move their headquarters to self-owned new buildings. These relocation is primarily motivated ESG concerns, as the presently occupied PBO spaces are old and dated, with some buildings approaching 20 to 30 years old. When their present leases expire, corporations, especially the foreign banks, are actively seeking for green buildings. Given the large number of Grade A PBO buildings in Klang Valley, it is now a good time for corporations and banks to move into new buildings, either as tenants or owners, as they are likely to be offered good rental rates and incentives.

Pressure on occupancy rate and asking rentals

The bulk of the incoming PBO supply that is projected to enter the KL market by 2024 is expected to put downward pressure on occupancy and rental performance. Increasing new supply will result in greater competition and widen the gap between older and newer PBO buildings. In order to maintain occupancy performance, landlords of older buildings will be prompted to seek out retention strategies and refurbishment plans. This creates prospects for occupiers to secure attractive leasing packages and benefits in this tenant-led market. Attractive rental packages for good quality office space will remain to be favourable to capture market demand.

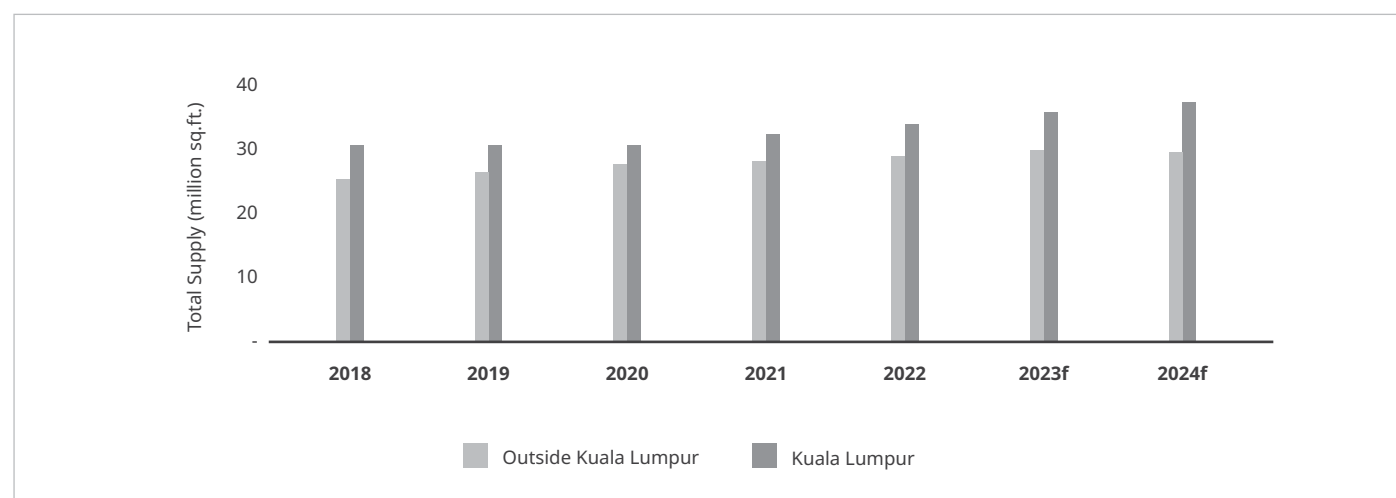
Property Market Overview

Purpose-Built Retail² Sector

SUPPLY OF PURPOSE-BUILT RETAIL SPACE IN KLANG VALLEY

As of 3Q 2023, the overall supply of Purpose-built Retail (PBR) in Klang Valley increased to 63.1 million sq. ft., with the completion of Pavilion Damansara Height Phase 1 (0.5 million sq. ft.) and The Exchange TRX Mall (1.3 million sq. ft.). The cumulative supply in KL was approximately 33.7 million sq. ft., whereas in OKL totaled approximately 29.5 million sq. ft.

Cumulative Supply of Purpose-built Retail Space in Klang Valley, 2018 to 2024f



Abbreviation: sq.ft. - square feet; f - forecast

Source: CBRE | WTW Research & Consulting

Future Supply of Purpose-built Retail Space in Klang Valley, 2024

Property Details	Location	NLA (sq.ft.)
Merdeka 118 (118 Mall)	Central KL	900,000
Pavilion Damansara Height Phase 2	Metropolitan KL	529,000
Sapura Corporate HQ Retail	Central KL	120,000

Abbreviation: NLA - Net Lettable Area; sq.ft. - square feet

Source: CBRE | WTW Research & Consulting

² A purpose-built retail centre is defined as an enclosed, multi-levelled shopping area, marketed as a 'one-stop' shopping destination with a defined trade area that usually draw a population catchment of both domestic and/ or internationally. It offers a wide variety of discretionary merchandise from local and / or international retailers. CBRE | WTW Research has categorised this use into (1) Mall/ Mega Mall; (2) Neighbourhood (3) Hypermarket; (4) Destination Centre; each type has its own criteria in respect of the target market and products.

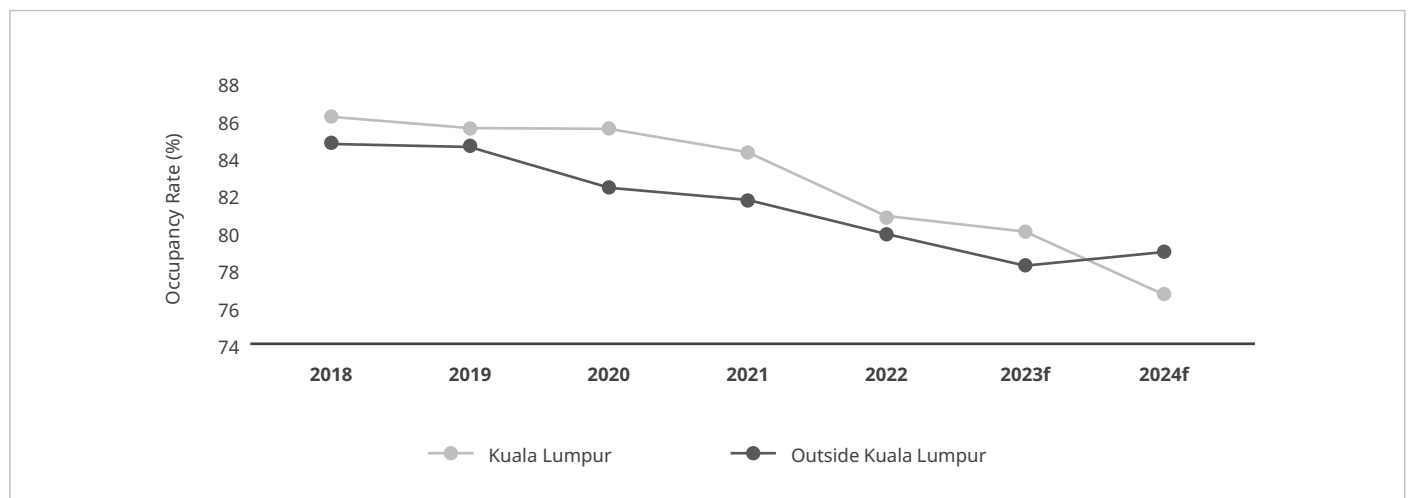
Property Market Overview

THE PERFORMANCE OF PURPOSE-BUILT RETAIL IN KLANG VALLEY

As of 3Q 2023, the overall occupancy rate of PBR in Klang Valley was reported at 79.2%, a decline of 1.0% year-on-year. The occupancy rates for both KL and OKL are marginally declining, with OKL's rate reaching 78.0% (-1.3% year-on-year) and KL's rate falling to 80.3% (-0.6% year-on-year).

The occupancy rate of the newly completed retail malls ranges between 30% and 70%, contingent upon preleasing activities and marketing efforts.

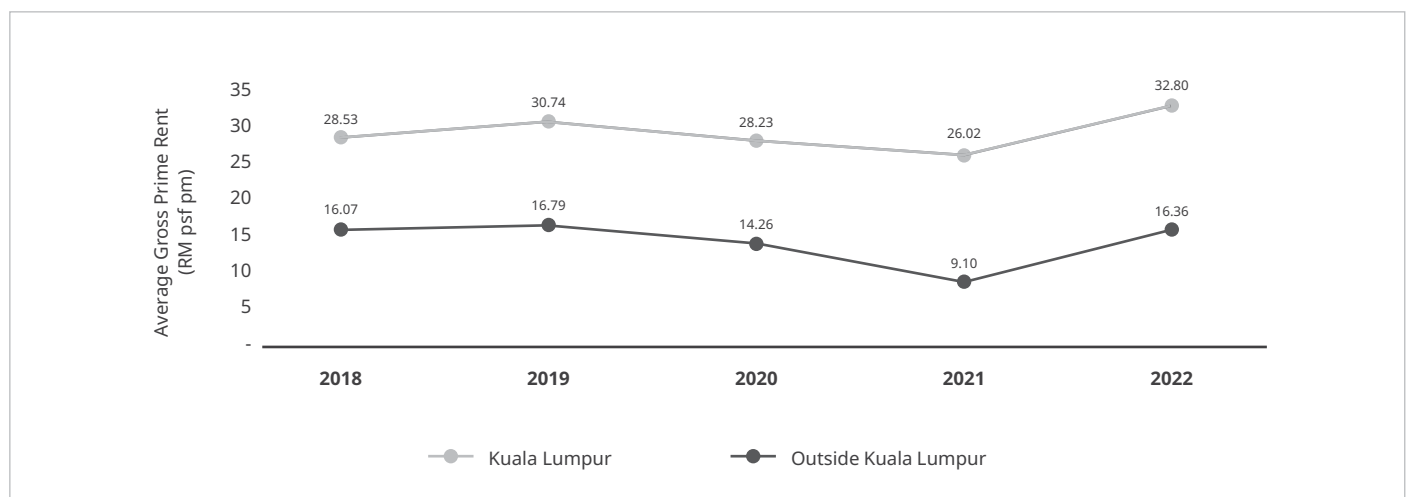
Occupancy Rate of Purpose-built Retail in Klang Valley, 2018 to 2024f



Abbreviation: f - forecast

Source: CBRE | WTW Research & Consulting

Average Gross Prime Rentals for Selected Purpose-built Retail in Klang Valley, 2018 to 2022



Abbreviation: psf pm - per square foot per month

Source: REITs Annual Report

Property Market Overview

In 2022, prime retail rentals in KL jumped by 26.1% year-on-year, while prime rentals in OKL increased by 79.8%. Following the full reopening of Malaysia's international borders, new market entrants were actively seeking retail space. An upward trend in average prime rentals was observed as the demand for retail space in prime and established retail malls grew.

SELECTED TRANSACTIONS OF PURPOSE-BUILT RETAIL IN KLANG VALLEY

In 2023, several notable transactions was documented for the PBR in Klang Valley.

Property Details	Locality	NLA (sq.ft.)	Consideration	Buyer
KIPMall Kota Warisan	GKL	186,080	RM80 million (RM430 psf)	KIP Real Estate Investment Trust

Abbreviation: GKL - Greater Kuala Lumpur; NLA - Net Lettable Area; sq.ft. - square feet; psf - per square foot

Source: Bursa Malaysia Announcements

Sunway Real Estate Investment Trust (REIT) acquired six Giant hypermarkets and retail complexes (five in Klang Valley and one in Johor Bahru) from Kwasa Properties Sdn Bhd for RM520 million. The transaction is expected to strengthen Sunway REIT's income stability through fixed rental payments from the lessee. Additionally, Sunway REIT will explore property development opportunities for the assets in the long run.

OUTLOOK

Return of international tourists to spur retail sales

The retail sector has been tracking at pre-Covid-19 levels since early 2023, backed by supporting tourism and business operations. Other than improving international tourist arrivals, domestic tourism has fully recovered, improving traffic in retail malls. The return of shoppers to shopping malls expected sales to improve. The 30-day visa-free travel initiative for Chinese and Indian tourists is anticipated to further boost tourist expenditures and stimulate retail sales. Malaysia's language proficiency and comparatively low costs in conjunction with the relaxed visa policy increased its competitiveness on the regional tourism market.

Implementation of Luxury Goods Tax

Luxury Goods Tax will be imposed on high value goods (such as jewellery and watches) starting 1H 2023, at a proposed rate of 5.0% -10.0%, based on the threshold value of the goods. The introduction of the luxury goods tax might dampen the margin growth in the short term. Foreign tourists are exempted from this tax.

New shopping experience

To attract retailers and shoppers, the newly completed PBRs are integrating the usage of indoor and outdoor spaces. In addition to pop-up experience stores and a diverse array of events, new malls feature a distinct tenant mix to offer shoppers with new shopping experiences. To stay relevant in the market, older PBRs should reposition themselves, likely through retrofitting to enhance their appeal and draw in more footfalls.

Occupancy rate and asking rental on downward pressure

Klang Valley welcomed a total of 2.7 million sq.ft. of newly completed PBR in 2023. By 2024, an additional of 1.5 million sq.ft. of incoming supply are slated to be completed. These new supply add pressure on occupancy and rental performance which may also deepen the gap between relevant and well-performed retail malls. Landlords and mall operators are pushing for tenant mix, consumer preferences and other usages of retail spaces.

Property Market Overview

Industrial Sector

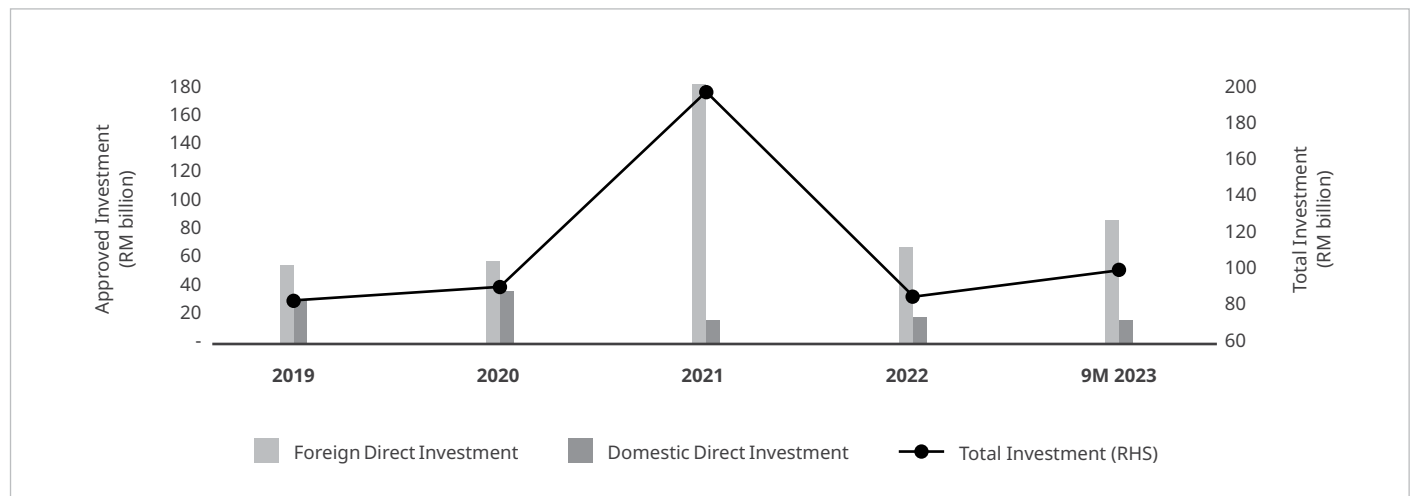
Malaysian Investment Development Authority (MIDA) announced that in the first nine months of 2023 (9M 2023), the country attracted RM225.0 billion of approved investments. Of this amount, RM99.8 billion (44.4%) are allocated to the manufacturing sector. This is an increase of 53.9% compared to RM64.9 billion approved investments for manufacturing sector in the same period in 2022.

Foreign Direct Investment (FDI) composed 85.0% (RM84.8 billion) of the total approved investments for manufacturing sector in 9M 2023. This figure represented a significant increase of 68.4% year-on-year (cf. 9M 2022: RM50.4 billion). Between 2019 and 2022, FDI grew at a CAGR of 7.0%.

As of 9M 2023, Domestic Direct Investment (DDI) accounted for 15.0% (RM15.0 billion) of the total approved investments for manufacturing sector. Comparing to the same period last year, it increased by 3.4% (cf. 9M 2022: RM14.5 billion). DDI experienced a -14.1% CAGR decline from 2019 to 2022.

The approved investment for manufacturing sector is dominated by the expansion and diversification projects, which collectively account for RM62.0 billion, while the balance RM37.8 billion is derived from new projects. It is expected that these projects will generate over 48,400 potential employment opportunities, of which 42.5% will be composed of skilled workers, professional/technical, and managerial roles.

Approved Manufacturing Projects, 2019 - 9M 2023



Abbreviation: 9M 2023 - first nine months of 2023; RHS - right-hand-side

Source: Malaysian Investment Development Authority

Property Market Overview

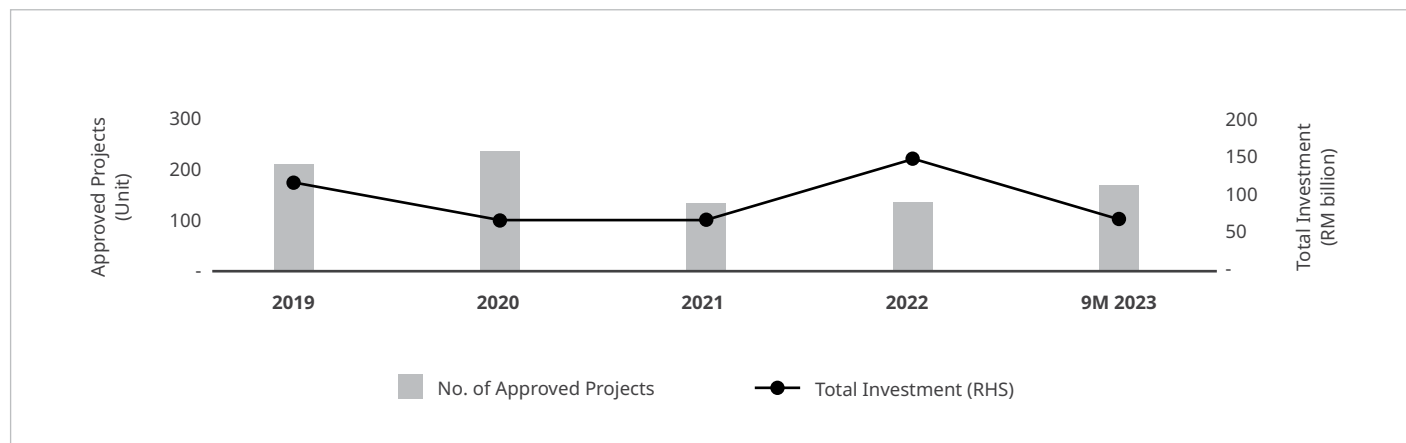
Electrical and Electronics (E&E) industry secured the highest investment, totaling RM57.4 billion, followed by Machinery and Equipment (RM10.8 billion), Non-Metallic Mineral Products (RM6.9 billion), Fabricated Metal Products (RM5.5 billion), and Transport and Equipment (RM5.4 billion).

The primary sources of FDI in the manufacturing sector were from The Netherlands (12 approved projects, RM34.3 billion), USA (18 approved projects, RM15.6 billion), and China (39 approved projects, RM9.3 billion). Investment inflows of The Netherlands increased by 479.2% between 9M 2022 and 9M 2023, from RM5.9 billion to RM34.3 billion. Pulau Pinang, Kedah, Selangor, and Selangor secured the highest shares of investment, accounted for 60.2% of the total approved investments in 9M 2023.

JOHOR

Johor secured RM7.0 billion or 7.0% of the total approved investments for the manufacturing sector in 9M 2023. A rise of 41.0% was observed in comparison to the same period in 2022. From 2019 to 2022, total approved investment for Johor's manufacturing sector increased at a 8.4% CAGR.

Approved Manufacturing Projects in Johor, 2019 - 9M 2023



Abbreviation: 9M 2023 - first nine months of 2023; RHS - right-hand-side

Source: Malaysian Investment Development Authority

Several notable investments made by foreign investors include the following:

- Bucher Emhart Glass, the leading international glass container supplier, to set up a 300,000 sq.ft. manufacturing facility at i-Park@ Senai Airport City, at a cost of RM108 million.
- EcoCeres Renewable Fuels Sdn Bhd is investing RM1.0 billion to construct a sustainable aviation fuel production facility in Tanjung Langsat, Pasir Gudang.
- Alton Industry Ltd Group to invest RM500 million for a manufacturing and research and development base facility in Johor Bahru.
- Colorcon Inc, the global pharmaceutical technology provider, to build a manufacturing facility with buildup area of 90,000 sq.ft. on a six-acre site in i-TechValley at SILC.

Property Market Overview

SUPPLY OF INDUSTRIAL PROPERTIES IN JOHOR

Existing and Future Supply of Industrial Properties by Type, 2021 - 3Q 2023

Industrial Property Type	Existing Supply (No. of Units)			Future Supply (No. of Units)	
	2021	2022	3Q 2023	Incoming	Planned
Terraced	8,063	8,131	8,240	218	-
Semi-Detached	4,766	4,788	4,900	128	40
Detached	4,047	4,078	4,155	86	52
Flatted Factory	-	-	-	-	-
Industrial Complex	425	425	426	1	-
Cluster	1,224	1,296	1,380	124	-
Total	18,525	18,718	19,101	557	92

Abbreviation: 3Q 2023 - the third quarter of 2023

Source: National Property Information Centre

The cumulative supply of industrial properties in Johor reached 19,101 units as of 3Q 2023. The new completed supply was distributed primarily in the following regions: Johor Bahru (112 units), Kulai (81 units), and Muar (26 units).

Terraced factories and semi-detached factories formed the highest volumes of Johor's industrial supply, at 43.1% and 25.7% respectively. Additionally, it also generated the most future supply (346 units incoming, 40 units planned), followed by detached factories (86 units incoming, 52 units planned) and cluster factories (124 units incoming).

SELECTED TRANSACTIONS OF INDUSTRIAL PROPERTY IN JOHOR

In 2023, several notable transactions was documented for the industrial property in Johor.

Property Details	Locality	NLA (sq.ft.)	Consideration	Buyer
Three contiguous parcels of land with factory buildings and other ancillary buildings	Senai	406,464	RM18.5 million (RM46 psf)	RecycleInco Sdn Bhd
Three vacant freehold industrial lands en bloc	Plentong	651,363	RM33.9 million (RM52 psf)	Ha Teng Holdings Sdn Bhd
A piece of leasehold land with two detached factories and other ancillary buildings erected thereon	Pasir Gudang	435,605	RM48.0 million (RM132 psf)	Ferrotec Power Semiconductor Malaysia Sdn Bhd

Abbreviation: NLA - Net Lettable Area; sq.ft. - square feet; psf - per square foot

Source: Bursa Malaysia Announcements

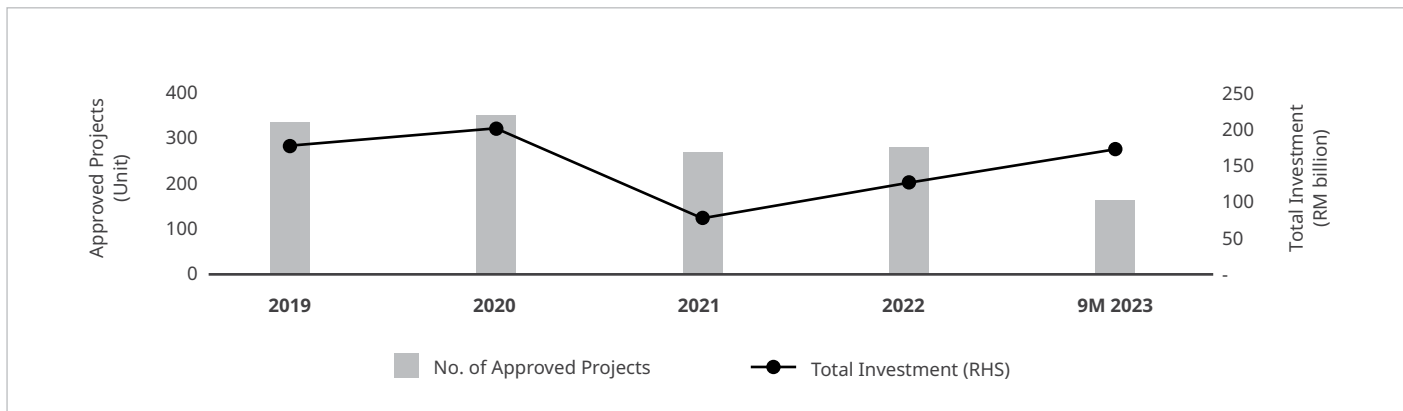
Property Market Overview

KLANG VALLEY

As of 9M 2023, Klang Valley attracted RM17.0 billion of investment, which accounted for 17.0% of the overall approved investments in the manufacturing sector. A surge of 73.1% was noted when compared to the same period in 2022. Total approved investment in Klang Valley's manufacturing sector fell at a -10.5% CAGR between 2019 and 2022.

Selangor received 99.7% (RM16.96 billion) of the total investment, while KL gained only 0.3% (RM47.3 million). Selangor, as Malaysia's leading state, is setting its sight on the future of technology and regional cooperation.

Approved Manufacturing Projects in Klang Valley, 2019 - 9M 2023



Abbreviation: 9M 2023 - first nine months of 2023; RHS - right-hand-side

Source: Malaysian Investment Development Authority

SUPPLY OF INDUSTRIAL PROPERTIES IN KLANG VALLEY

Existing and Future Supply of Industrial Properties by Type in Klang Valley, 2021 - 3Q 2023

Industrial Property Type	Existing Supply (No. of Units)			Future Supply (No. of Units)	
	2021	2022	3Q 2023	Incoming	Planned
KLANG VALLEY					
Terraced	31,330	31,464	31,549	262	458
Semi-Detached	7,238	7,344	7,468	420	782
Detached	5,867	5,930	5,992	337	495
Flatted Factory	1,934	1,934	1,934	464	-
Industrial Complex	108	108	108	3	2
Cluster	-	-	92	-	345
Total	46,477	46,780	47,143	1,486	2,082

Note: Statistics include figures for Selangor and Kuala Lumpur

Abbreviation: 3Q 2023 - the third quarter of 2023

Source: National Property Information Centre

Property Market Overview

As of 3Q 2023, the cumulative supply of industrial properties in Klang Valley has increased 363 units from 2022, to 42,005 units. The newly completed supply for the first three quarters of 2023 was primarily distributed in Selangor's regions: Gombak (49 units), Klang (44 units), and Kuala Langat (36 units). With 29,004 units (69.0%), terraced factories comprised the largest percentage of Selangor's industrial supply, followed by semi-detached factories (16.8%) and detached factories (13%). In total, 1,202 units of semidetached factories are anticipated to be completed in Selangor, comprised of 782 units of planned supply and 420 units of incoming supply.

In KL, the cumulative supply has remained unchanged for the past three years due to the absence of any new completions, incoming supply, or planned supply.

SELECTED TRANSACTIONS OF INDUSTRIAL PROPERTY IN KLANG VALLEY

In 2023, several notable transactions was documented for the industrial property in Klang Valley.

Property Details	Locality	NLA (sq.ft.)	Consideration	Buyer
Two parcels of freehold industrial land	Banting	1,166,842	RM92.0 million (RM79 psf)	Unichamp Mineral
A parcel of leasehold land	Serendah	967,903	RM52.3 million (RM54 psf)	Perodua Sales Sdn Bhd
Three contiguous parcels of leasehold vacant lands	Pulau Indah	559,746	RM42.0 million (RM75 psf)	Tri-Mode System (M) Bhd
A parcel of leasehold land together with all the buildings and structures erected thereon	Shah Alam	261,511	RM41.0 million (RM157 psf)	Atrium Real Estate Investment Trust

Abbreviation: NLA - Net Lettable Area; sq.ft. - square feet; psf - per square foot

Source: Bursa Malaysia Announcements

OUTLOOK

Growing demand for warehouses in Klang Valley

Regional logistics and warehousing will remain the primary drivers for the industrial property market, especially for proper industrial parks with good access and infrastructure. There is a continuing need for larger warehouse facilities, with new developments in Klang, Shah Alam, and Subang ranging from 1 million to 4 million square feet Gross Floor Area (GFA). Larger spaces facilitate storage and distribution operations, however there are some concerns on potential capacity saturation.

Adoption of technological advancement

Despite the current economic situation due to the high-cost environment, the industrial sector continues to be a bright spot in the real estate market. The adoption of technological advancement is enacted by adopting more elements of automation and artificial intelligence to innovate factory and warehousing processes.

Launch of the New Industrial Master Plan 2030 (NIMP 2030)

NIMP 2030 is a commitment to strengthen the nation's manufacturing sector, with ambitious microeconomic targets such as raising the manufacturing sector's Gross Domestic Product (GDP) by 6.5% annually. This could lead to a significant RM587.5 billion contribution to Malaysia's total GDP by 2030.

Property Market Overview

Southern Selangor Integrated Regional Development (IDRISS) and Managed Industrial Park (MIP)

The Selangor state government is introducing new incentives to spur development projects in the state, notably the Integrated Development Region in South Selangor (IDRISS) and the establishment of an industrial park modelled on the Managed Industrial Park (MIP) concept.

The state government provides consideration and approval of incentives for IDRISS and incentives for the development of MIP. IDRISS and MIP is set to be a major stimulants in attracting investment in Selangor.

Wellness, Rehabilitation & Healthcare Sector

Population is a significant driver of the demand for healthcare services. The projected total population of Malaysia in 2023 is 33.4 million people, reflecting a growth of 2.1% compared to the 32.7 million people recorded in 2022. In 2023, the life expectancy in Malaysia is projected to be 74.8 years old, an increase from 73.8 years in 2022.

Demographic Statistics

Malaysia	2021	2022	2023p
Life Expectancy	74.0	73.8	74.8
Total Population ('000)	32,576.3	32,698.1	33,379.5
Age Structure			
0 - 14 years old	23.6%	23.2%	22.6%
15 - 64 years old	69.4%	69.6%	70.0%
65 years old and above	7.0%	7.2%	7.4%

Abbreviation: p - preliminary

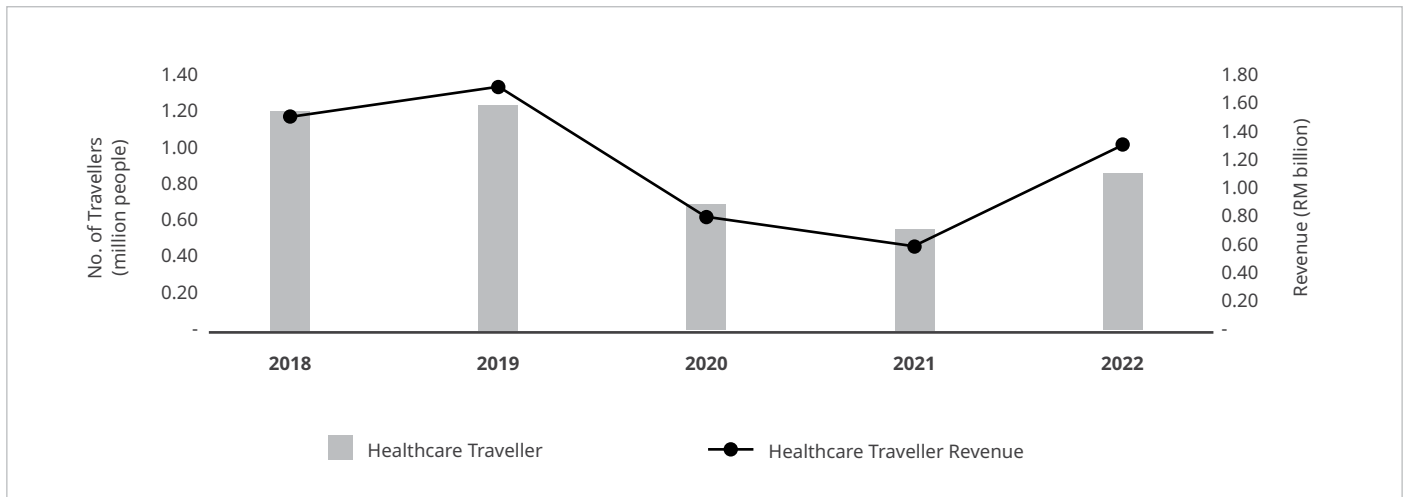
Source: Department of Statistics Malaysia, CBRE | WTW Research & Consulting

The demand for healthcare facilities in the country is partly contributed by travellers seeking medical treatment. Malaysia remained an emerging hotspot in medical tourism attributed to the country's favourable geographical location, medical facilities, and affordability. Cities such as Kuala Lumpur, Selangor, Penang, Melaka, and Johor Baru appeal to healthcare travellers owing to their convenient accessibility and top-notch medical care. Malaysia is a popular destination for a variety of medical procedures, among which are related to cancer, cardiology, fertility, dentistry, and cosmetics. At present, Malaysia is positioned among the top medical tourism destinations in Asia, alongside with India, Thailand, Singapore, and South Korea.

The medical tourism in Malaysia experienced a substantial growth in revenue, increasing from RM585 million in 2021 to RM1.3 billion in 2022. As of August 2023, the robust medical tourism industry has generated RM1.4 billion in revenue, contributing significantly to the country's economy.

Property Market Overview

Total Number of Healthcare Travellers to Malaysia

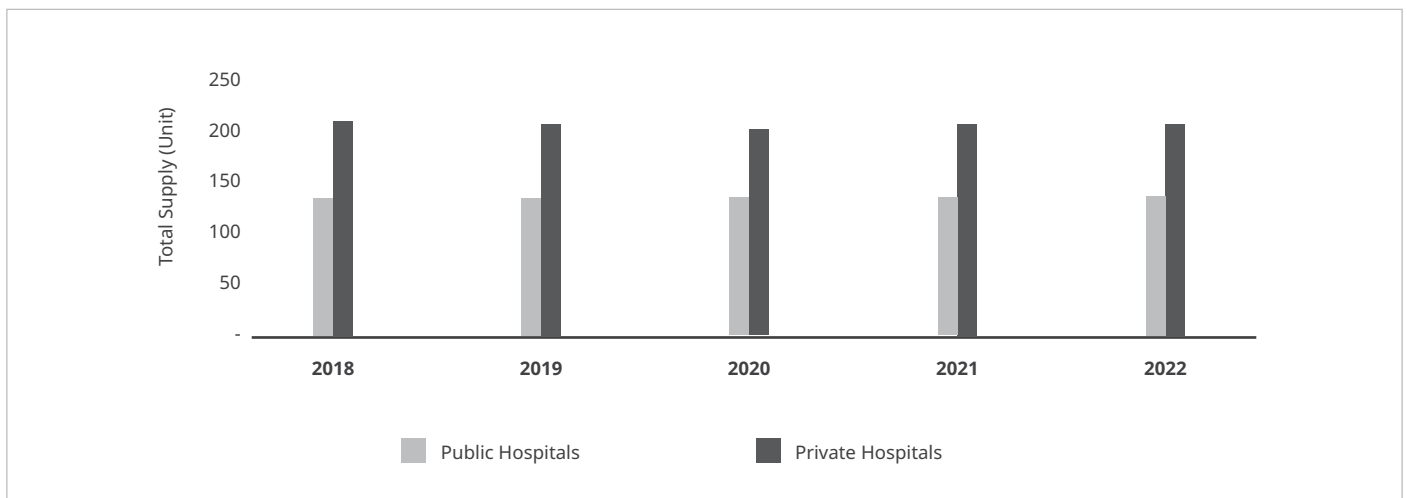


Source: Malaysian Healthcare Travel Council, CBRE | WTW Research & Consulting

SUPPLY OF HEALTHCARE INSTITUTIONS IN MALAYSIA

As per the latest published statistics by the Ministry of Health Malaysia, there are about 137 public hospitals and 207 private hospitals actively operating in Malaysia as of 2022.

Cumulative Supply of Healthcare Institutions in Malaysia, 2018 to 2022



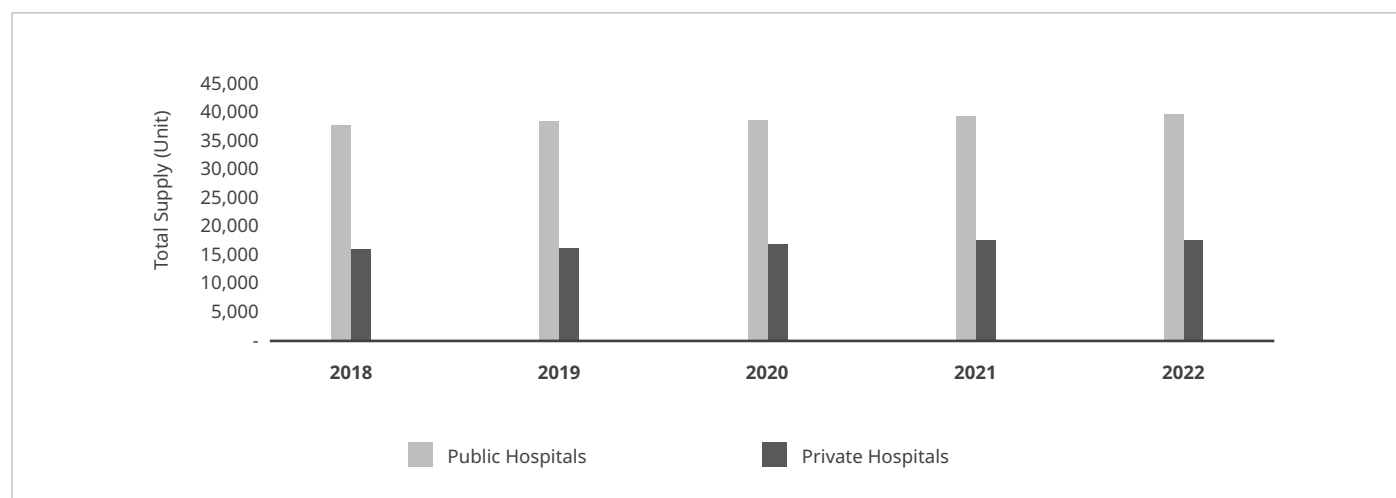
Source: Ministry of Health, CBRE | WTW Research & Consulting

Property Market Overview

As of 2022, public hospitals in Malaysia comprised 69.0% (39,581 units) of the total number of hospital beds, while private hospitals provided approximately 17,781 (31.0%) hospital beds. The government is actively encouraging the expansion of the private hospital sector, towards increasing the private hospital bed count in the country.

Klang Valley offered the most public hospital beds, accounting for 20.1% of the overall supply, followed by Johor (10.9%), Sabah (10.2%), and Perak (10.0%). Klang Valley contributed the most private hospital beds to the overall supply in Malaysia, comprising 46.6% of the total. Johor and Pulau Pinang followed with 12.3% and 10.4%, respectively.

Cumulative Supply of Healthcare Institution Beds in Malaysia, 2018 to 2022



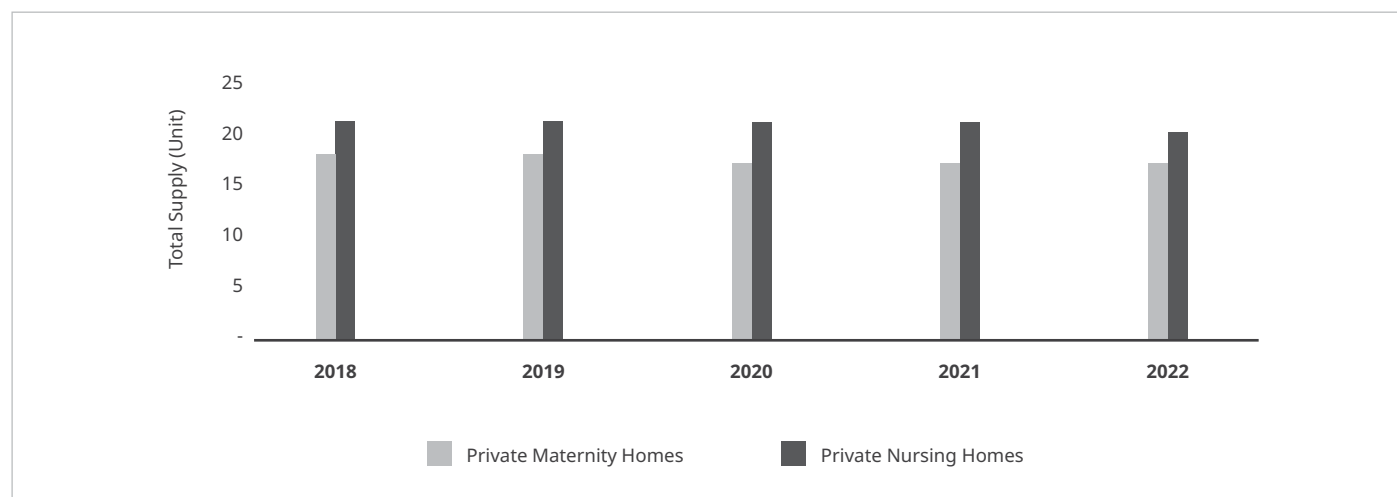
Source: Ministry of Health, CBRE | WTW Research & Consulting

Demand for aged-care, nursing and maternity homes have been growing in Malaysia. As per the latest published statistics by the Ministry of Health Malaysia, there are about 17 licensed private maternity home and licensed private nursing homes in Malaysia.

Based on the most recent statistical data released by the Ministry of Health, Malaysia is offering approximately 17 licensed private maternity homes and private nursing homes in 2022. With more than 460 beds, Klang Valley continued to be the leading provider of both facilities, which account for nearly 47.7% of the total supply in Malaysia.

Property Market Overview

Cumulative Supply of Nursing Homes and Maternity Homes Institutions in Malaysia, 2018 to 2022



Source: Ministry of Health, CBRE | WTW Research & Consulting

SELECTED TRANSACTIONS OF HEALTHCARE INSTITUTIONS IN MALAYSIA

Several notable transactions was documented for the healthcare institutions in Malaysia.

Year	Property Details	Locality	Consideration	Buyer	Yield
2019	Prince Court Medical Centre	CKL	RM1.02 billion	IHH Healthcare Bhd	6.05% (Gross)
2022	Sunway Medical Centre	GKL	RM430 million	Sunway Medical Centre Sdn Bhd	7.00%
2023	Timberland Medical Centre	Sarawak	RM245 million	IHH Healthcare Bhd	N/A

Abbreviation: CKL - Central Kuala Lumpur; GKL - Greater Kuala Lumpur; NLA - Net Lettable Area; sq.ft. - square feet; psf - per square foot
Source: Bursa Malaysia Announcements

OUTLOOK

The increasing demand for private healthcare services is expected to bode well for Malaysia's healthcare sector in 2024. The improvements in living standards, increased awareness of health diseases, and a demographic shift towards an ageing population are among the primary catalysts encouraging the adoption of private healthcare services in Malaysia.

Increased allocation in Budget 2024

The Ministry of Health (MOH) was allocated RM41.2 billion (10.5% of the total budget) in Budget 2024, up from RM36.3 billion allocated in Budget 2023. The MOH keeps its status as the second-largest recipient in the federal budget after the Ministry of Education. The government has increased the budget allocation for the healthcare sector in response to the recent pandemic experience.

Property Market Overview

Medical tourism on the rise

Post-pandemic, Malaysia is also witnessing a sustained recovery in patient volume and revenue intensity, as well as an increasing influx of medical tourists returning to the country. The primary catalysts are the complete reopening of country's borders, competitive pricing, and high-quality healthcare services. At the current value of the ringgit, Malaysia is outperforming neighbouring countries in terms of attracting medical tourism visitors in search of medical treatments.

The improvements in living standards, increased awareness of health disease

Supported by robust demand for private healthcare services, particularly in urban regions, urbanites with higher disposable income and insurance coverage will continue to favour private healthcare services. Corporate partnerships with private hospitals and increased adoption of medical insurance policies are additional factors that are anticipated to promote the utilisation of private healthcare services in Malaysia.

The private healthcare sector in Malaysia is expected to see robust growth as demand picks up both locally and globally.

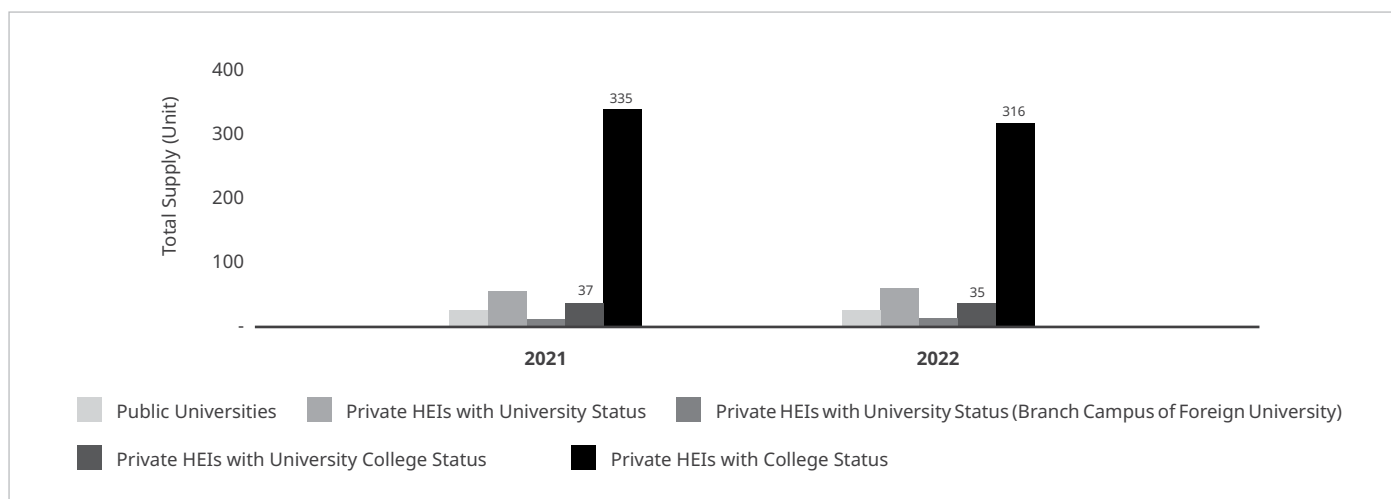
Higher Education Sector

The Ministry of Higher Education (MOHE) is a ministry of the Government of Malaysia that is responsible for higher education, polytechnic, community college, student loan, accreditation, student volunteer. Higher education institutions (HEIs) in Malaysia offer a variety of undergraduate and postgraduate programs in a wide range of disciplines, including business, engineering, science, arts and humanities. Many private HEIs in Malaysia are affiliated with foreign universities, offering dual degrees and other joint programs.

SUPPLY OF HIGHER EDUCATION INSTITUTIONS IN MALAYSIA

Presently, there are a total of 20 public universities and 406 private HE Is actively operating in Malaysia. The private HE Is can be classified into four primary categories: university, branch campus of foreign university, university college, and college.

Cumulative Supply of Private Higher Education Institutions in Malaysia, 2022



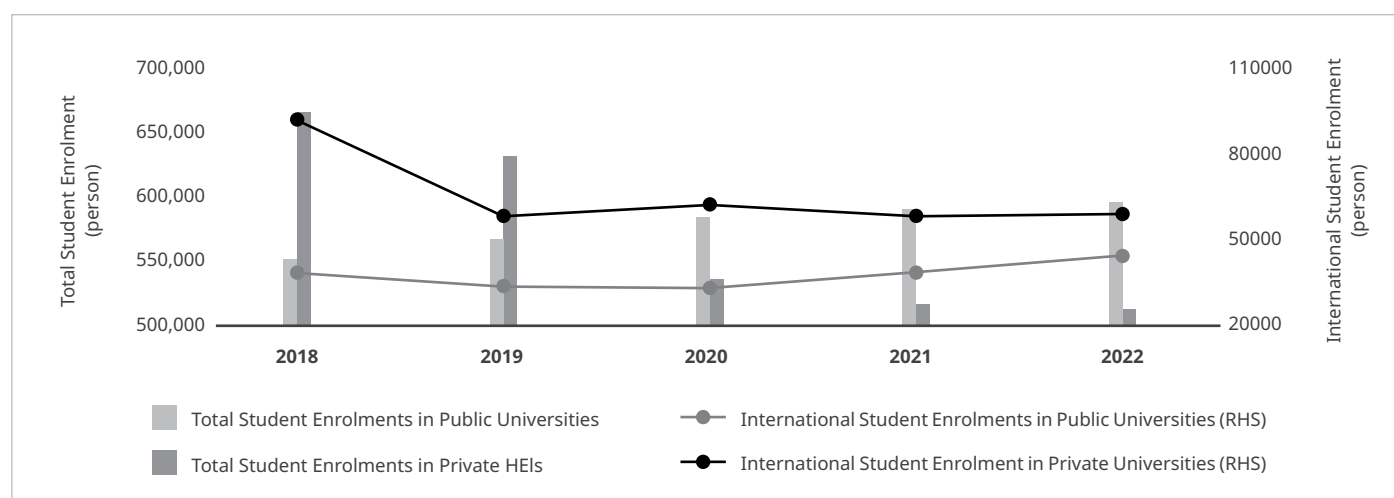
Source: Ministry of Education, CBRE | WTW Research & Consulting

Property Market Overview

Private HEIs with college status in Malaysia decreased from 335 units in 2021 to 316 units in 2022, and HEIs with university college status ceased operations of two units, bringing the total number of active operating units to 37 at present. Smaller private HEIs have encountered substantial financial and student enrolment challenges in recent years, especially the aftermath of pandemic. Due to rising operating expenses and financial turnaround challenges, small private HEIs face the greatest risk of closure.

STUDENT ENROLMENTS AT HIGHER EDUCATION INSTITUTIONS IN MALAYSIA

Student Enrolments at Higher Education Institutions in Malaysia, 2018 to 2022



Abbreviation: RHS - right-hand-side

Source: Ministry of Education, CBRE | WTW Research & Consulting

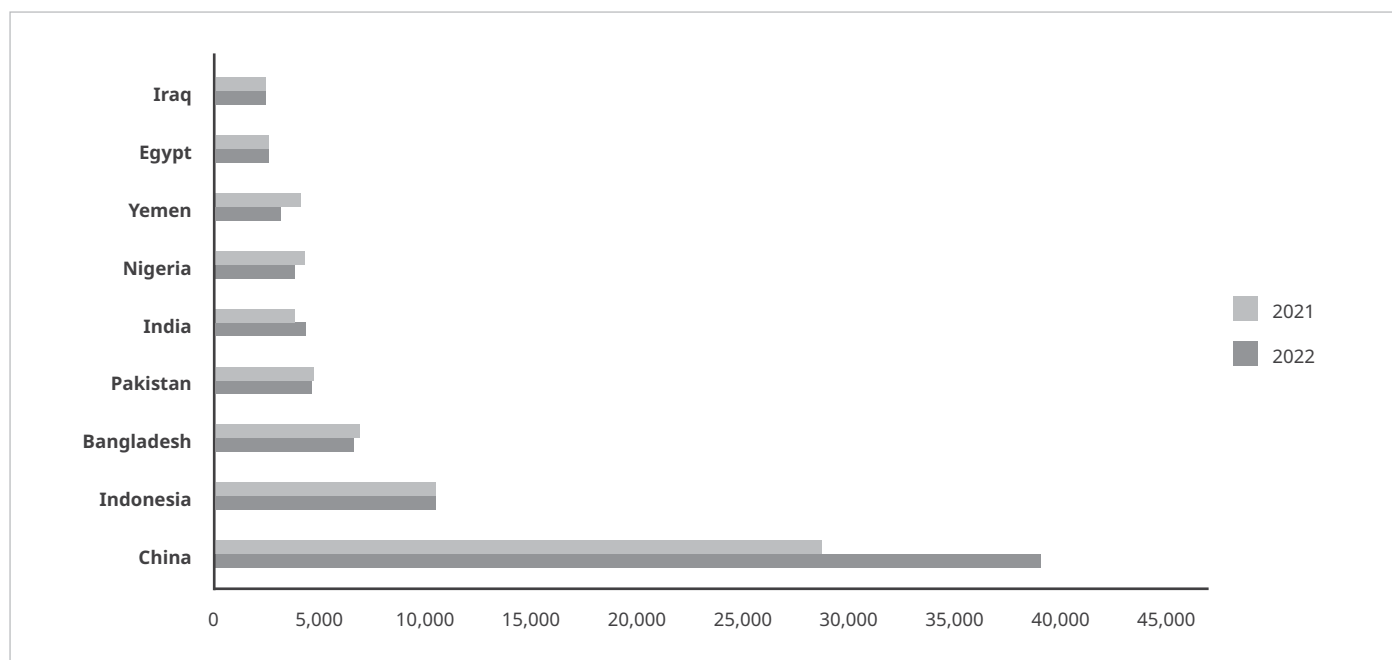
Since 2018, the total number of students enrolled in public universities in Malaysia has increased at a steady 1.9% CAGR. In contrast, between 2018 and 2022, total student enrolment in private HEIs in Malaysia decreased at a CAGR of -6.4%, while intake and output decreased at a CAGR of -4.1% and -3.1%, respectively. Output refers to the combination of study withdrawal and study completion.

The total student enrolment in private HEIs in Malaysia may have decreased as a result of economic factors, limited funding opportunities, and the aftermath of the pandemic. Economic slowdown can potentially result in reduced financial resources for families, thereby presenting obstacles for students seeking to attend private HEIs, in addition to the scarcity of scholarship and funding opportunities. Additionally, private HEIs' enrolment figures may be impacted by challenges associated with disruptions to the learning environment, campus closures, and adjustments to teaching methods.

The overall enrolment of international students in Malaysia's public and private HEIs is on the rise, with the majority of these students coming from China, Indonesia, and Bangladesh.

Property Market Overview

Top 10 International Students by Nationality in Higher Education Institutions in Malaysia, 2022



Source: Ministry of Education, CBRE | WTW Research & Consulting

Malaysia has observed significant increase in the enrolment of Chinese students, while enrolment from other countries has decreased. There is a notable increase of 36.4% in the number of Chinese students enrolled in Malaysia's public and private HEIs between 2021 and 2022, from 28,593 to 39,007 persons. Chinese enrollment in Malaysian HEIs increased at a CAGR of 24.3% between 2018 and 2022. The surge in enrolment can be primarily attributed to the comparatively lower study cost and less competitive environment in Malaysia, when compared to other nations in southeast Asia.

SELECTED TRANSACTIONS OF EDUCATION INSTITUTIONS IN MALAYSIA

Several notable transactions was documented for the healthcare institutions in Malaysia.

Year	Property Details	Locality	Consideration	Buyer	Yield
2017	Sekolah Sri KDU & Sri KDU International School	GKL	RM165 million	Alpha Real Estate Investment Trust	6.00%
2018	Sunway University	GKL	RM550 million	Sunway Real Estate Investment Trust	6.75%
2023	Kolej Yayasan Saad	Melaka	RM150 million	Hektar Real Estate Investment Trust	5.40%

Abbreviation: GKL - Greater Kuala Lumpur; NLA - Net Lettable Area; sq.ft. - square feet; psf - per square foot

Source: Bursa Malaysia Announcements

Property Market Overview

OUTLOOK

Highest recipient for Budget 2024

Budget 2024 allocated the largest budgetary provision to the education sector, with the Ministry of Education (MOE) obtaining RM58.7 billion and the Ministry of Higher Education (MOHE) receiving RM16.3 billion. Of this amount, RM1.9 billion will be used to upgrade and maintain schools throughout the country. Government is giving full support to education sector through incentives, scholarship and a cap of registration fees for public universities. Additionally, Budget 2024 is projected to allocate a sum of RM6.8 billion for the Technical and Vocational Education and Training (TVET) sector. It provides the young people with potential to receive complete education despite the current economic challenges. Budget 2024 initiatives will significantly facilitate students' access to higher education and inspire young people to pursue university degrees. This stimulates enrolment in Malaysia's public and private HEIs.

Malaysian Education Blueprint 2015-2025

Malaysia's MOE intends to increase enrolment in education institutions over the next decade. The Malaysian government has set a target of achieving 40% of the population with a tertiary education qualification by 2025. Based on the Malaysian Education Blueprint 2015-2025 (Higher Education), it is projected that the students' enrolment in private HEIs will increase at an annual rate of 5% from 455,000 in 2012 to an estimated 867,000 by 2025. While it is projected that the students' enrolment in public universities will increase at an annual rate of 3%, from 545,000 in 2012 to an estimated 764,000 by 2025. In short, it is anticipated that by 2025, the number of students enrolled in private HEIs will surpass the number of students enrolled in public HEIs, by 13%.

Return of expatriates and international students

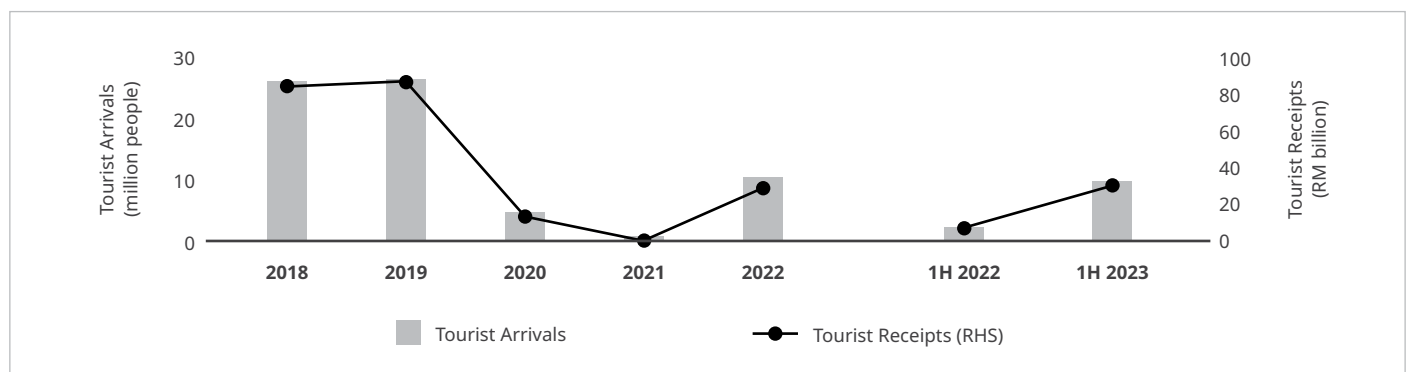
Malaysia is steadily establishing itself as the desired study destination for international students worldwide with the Malaysia HEIs provides quality education for all and widely-recognised study programmes globally. Local private HEIs are expected to experience healthy demand on foreign students' intake in line with the reopening of Malaysia's international border.

Expatriates and international families are returning. The private HEIs in Malaysia are expected to grow significantly in the coming years, driven by several factors, including the rising demand for higher education, the increased popularity of private institutions and the government's support for the sector.

Hotel Sector

International tourists have yet to return to Malaysia in full force. The government anticipates 19.1 million visitor arrivals by the end of 2023. The majority of the top ten nationals visiting Malaysia before and after the pandemic were from Asean, followed by China, India, and South Korea.

Tourist Arrivals and Tourist Receipts, 2018 to 1H 2023



Abbreviation: RHS - right-hand-side

Source: Ministry of Education, CBRE | WTW Research & Consulting

Property Market Overview

PERFORMANCE OF HOTEL SECTOR IN MALAYSIA

Average Occupancy Rate of Hotels in Malaysia, 1H 2023

State	Average Occupancy Rate (%)
Pahang	72.9
Kuala Lumpur	57.3
Putrajaya	54.0
Pulau Pinang	49.2
Johor	47.5
Selangor	47.1
Sabah	46.4
Terengganu	44.5
Perak	43.9
Kelantan	41.9
Sarawak	41.9
Kedah	41.5
Melaka	41.5
Perlis	40.2
Negeri Sembilan	36.8
Labuan	31.2
Malaysia	50.5

Source: Ministry of Tourism, Arts and Culture

The average room rate in Klang Valley grew from RM348 per night in 1H 2022 to RM408 per night in 1H 2023. Penang's beach hotels charged an average of RM480 per night, while city hotels charged an average of RM280 per night.

SELECTED TRANSACTIONS OF HOTELS IN MALAYSIA

In 2023, several notable transactions was documented for the hotels in Malaysia.

Property Details	Locality	Grade /Room	Consideration	Buyer
W Hotel KL	CKL	5-star hotel/150 rooms	RM1.8 billion	IOI PFCC Hotel Sdn Bhd & Flora Development Sdn Bhd
Hotel Stripes Kuala Lumpur	CKL	5-star hotel/184 rooms	RM138 million	YTL Hospitality REIT
Holiday Villa Beach Resort & Spa Langkawi	Langkawi	4-star hotel/238 rooms	RM145 million	Plenitude Gateway Sdn Bhd

Abbreviation: CKL - Central Kuala Lumpur; NLA - Net Lettable Area; sq.ft. - square feet; psf - per square foot

Source: Bursa Malaysia Announcements

Property Market Overview

OUTLOOK

Hotel sector projects better year ahead, with downside risks remain.

Rebound on international tourist arrivals and receipts

Starting in December 2023, the government is offering a 30-day visa-free access for tourists from certain nations. This initiative is eligible for tourists residing at the following countries: China, India, Turkiye, Jordan, Saudi Arabia, Qatar, the UAE, Bahrain, Kuwait, Iran, and Iraq.

Hoteliers pin hopes on visa-free travel to increase the hotel occupancy rate. They anticipate more visitor arrivals and receipts early next year as a result of Malaysia's new visa-free policy aimed at attracting international tourists.

Malaysia's tourism industry is projected to surpass pre-pandemic levels as international tourist arrivals rebound starting in 2024, driven by marketing and promotional initiatives by the local tourism sector. Through "Visit Malaysia Year 2025," the government has set a target of 23.5 million foreign tourist arrivals and RM76.8 billion in revenue by 2025.

More upscale hotels opening

An increasing number of four-star and five-star hotels are expected to be completed by 2025. Prominent incoming hotels include the Kimpton Hotel @ TRX, Waldorf Astoria, Park Hyatt KL in Klang Valley; JW Marriott, Lyf by Ascott, Intercontinental Penang in Pulau Pinang; and Sheraton Johor Bahru in Johor.

These upscale hotels and international hotel brands have a high value addition to elevate the country's hospitality offerings to both business and leisure travellers. It will further cement the country's position as one of the world's top travel destinations.

Top choice of investment

Hotels in the city centre continue to be sought after by investors, who continue to favour KL as their primary investment destination. Recent transactions indicate that acquiring an existing hotel building is a more costeffective option compared to constructing a new one. It enables investors to obtain an immediate advantage by enabling them to commence operations without the need to wait for the development and stabilisation of a new hotel. Penang, noted for its dynamic culture and tourism attractions, ranked second on the list, followed by Langkawi, Kota Kinabalu, and Melaka.

Statement on Corporate Governance

Effective corporate governance has always been a priority to the Board of Directors of AmanahRaya-Kenedix REIT Manager Sdn. Bhd. ("AKRM" or "the Manager") as the Manager of AmanahRaya Real Estate Investment Trust ("AmanahRaya REIT"). We are committed towards ensuring that high standard of corporate governance is practised throughout the Manager for the best interest of our unitholders.

In ensuring the implementation and operation of proper corporate governance, AKRM is guided by the principles and recommendations stipulated in Securities Commission's Guidelines on Real Estate Investment Trusts ("REIT Guidelines"), Malaysian Code on Corporate Governance 2021 ("MCCG 2021"), Capital Markets & Services Act 2007 ("CMSA 2007") and Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") ("MMLR").

THE MANAGER OF AMANAHRAYA REIT

AmanahRaya REIT is managed by AKRM. All Directors and employees of the Manager are remunerated by the Manager and not by AmanahRaya REIT. The Manager's primary role is to ensure good and sustainable return to the unitholders by managing the properties under AmanahRaya REIT's portfolio in accordance with AmanahRaya REIT's Deed and the Securities Commission Malaysia's ("SC") REIT Guidelines.

Other main functions of the Manager are as follows:

- developing business plans as well as strategic and investment policies for AmanahRaya REIT;
- providing recommendations on the acquisition, divestment and/or enhancement of AmanahRaya REIT's assets to the Trustee;
- monitoring compliance with all applicable legislations, rules and guidelines as well as AmanahRaya REIT's Deed;
- ensuring appropriate record keeping;
- formulating proper risk management policies;
- supervising and overseeing the appointed Property Managers on the management of AmanahRaya REIT's properties; and
- formulating plans for equity and debt financing for AmanahRaya REIT's capital requirements as well as managing its finances.

DIRECTORS OF THE MANAGER

The Board of Directors

The Board is entrusted with the responsibility of overall management and corporate governance of the Manager including establishing goals for management and monitoring the achievement of these goals. The Board has collective responsibility for charting the strategic direction, development, and control of the Manager and has adopted the primary responsibilities, roles and duties set out in the SC REIT Guidelines, which facilitate the discharge of the Directors' stewardship responsibilities. The responsibilities of the Board, amongst others, are as follows:

- setting up the objectives and goals of the Manager and AmanahRaya REIT;
- formulating and reviewing the adequacy of corporate policies and strategies, including but not limited to policies on investments, internal controls, investor relations and accounting;
- overseeing and evaluating the conduct of the Manager's activities;
- identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- reviewing and approving key matters such as financial results, investments and divestments, acquisitions and disposals and major capital expenditure in accordance with established policies and procedures; and
- ensuring proper succession planning is in place, including appointing, training and reviewing the remuneration and compensation for key personnel of the Manager, where appropriate.

Statement on Corporate Governance

Board Balance and Composition

The Board comprises of three (3) Independent Non-Executive Directors, five (5) Non-Independent Non-Executive Directors and one (1) Non-Independent Executive Director. The Board takes cognisance that Malaysian Code on Corporate Governance ("MCCG") recommends that at least two (2) or one-third (1/3) of the Board is independent.

In terms of diversity in skills, experience and competencies, the Board comprises members with various professional backgrounds from the fields of law, accounting, architecture, management, economics, business and public administration, all of whom bring in depth and diverse experiences, expertise and perspectives to the Manager's operations to ultimately enhance unitholders' value for the long-term.

The Chairman of the Board is responsible for the conduct of the Board and ensures that the Board's discussions are conducted in such a way that all views are taken into account and discussed at length before a decision is made. The roles of Chairman and Managing Director are separate with clear segregation of roles and responsibilities to ensure balance of power and authority. Whilst the Chairman navigates the Board and ensures that members of the Board work hand in hand with Management and encourages constructive relationship between the Directors and Management, the Managing Director holds the responsibility of executing the agreed business policies and directions set by the Board as well as making operational decisions in managing AmanahRaya REIT.

Board Meetings

Board meetings are scheduled regularly at least once every quarter. Special Board meetings are also held to discuss urgent issues, as and when necessary. Throughout the financial year ended 31 December 2023 ("FY2023"), six (6) Board meetings were held, two (2) of which were Special Board meetings. Pursuant to the MMLR, all Directors have complied with the requirement to attend at least 50% of Board meetings held in a financial year. The number of meetings attended by each Director during the FY2023 are as follows:

Directors	Designation	Attendance
Datuk Mohd Radzif Bin Mohd Yunus	Non-Independent Non-Executive Director	6/6
Wan Azman Bin Ismail	Independent Non-Executive Director	6/6
Aida Mosira Binti Mokhtar	Independent Non-Executive Director	6/6
Dato' Mohammed Noor Azmall Bin Jamaluddin	Independent Non-Executive Director	4/6
Shahlan Bin Md Shukor @ Kadari	Non-Independent Non-Executive Director	6/6
Naoto Kojima	Non-Independent Non-Executive Director	6/6
Nguyen Thi Hoang Hanh	Non-Independent Non-Executive Director	6/6
Ahmad Feizal Bin Sulaiman Khan	Non-Independent Non-Executive Director	Appointed on 4 January 2024
Mohd Iskandar Dzulkarnain Bin Ramli	Non-Independent Non-Executive Director (Alternate Director to Ahmad Feizal Bin Sulaiman Khan)	Appointed on 2 February 2024
YM Tunku Rozita Binti Tunku Abdul Malek	Non-Independent Executive Director	6/6

Statement on Corporate Governance

Access to and Supply of Information and Advice

Board members are supplied with information in a timely manner. Notices and meeting agenda together with the board papers are usually circulated three (3) to five (5) days prior to the scheduled Board meeting. The papers provide, amongst others, financial and corporate information, significant operational, financial and corporate issues, performance of AmanahRaya REIT and Management's recommendations and proposals.

The Board has complete and unrestricted access to the advice and service of the Audit Committee, the Investment and Tender Committee, the Risk Management and Compliance Committee, Company Secretary, Legal and Compliance Department as well as Group Integrity and Risk Division and Group Internal Audit Division of Amanah Raya Berhad to enable them to discharge their duties effectively. In discharging their duties, the Board also has access to external independent professional advisers, from time to time and whenever deemed necessary, at the expense of the Manager.

Appointment to the Board

All new nominations are assessed and approved by the entire Board which in line with its policy of ensuring nominees are persons of sufficient calibre and experience.

The selection of candidates is assessed considering various factors including the objectives of AmanahRaya REIT and the Manager and the relevant experience and expertise of the candidates as well as their potential contributions.

Reviews on the performance of the Board members are done formally. The renewal or replacement of Board members do not necessarily reflect their level of contributions but will most of the time be determined by the need to align and structure the Board in accordance with the goals and directions of AmanahRaya REIT and its business.

Directors are regularly updated on developments and changes in the operating environment including revisions to accounting standards as well as laws and regulations affecting AmanahRaya REIT and/or the Manager.

Directors' Remuneration

The directors' remuneration is in line with the best practices and in accordance with Amanah Raya Berhad's Group Policy.

All Non-Executive Directors are paid directors' remuneration taking into account any additional responsibilities undertaken such as a Director acting as Chairman of a Board Committee and membership of Board Committees.

Directors' Training

The Directors attended various talks and lecture series organised by regulators and professional bodies to enhance their knowledge and expertise as well as to keep abreast with the relevant changes of the industry, corporate governance, laws and regulations and business environment.

Statement on Corporate Governance

During the FY2023 the Directors have attended the trainings as indicated below:

DIRECTOR	ORGANISER	TITLE OF PROGRAMME
Datuk Mohd Radzif Bin Mohd Yunus	Messrs. KPMG	ESG Gap Analysis Presentation & Awareness Training for Board of Directors
YM Tunku Rozita Binti Tunku Abdul Malek	Messrs. Ernst & Young	Cyber Risk Awareness for Amanah Raya Berhad and Subsidiaries
	Securities Industry Development Corporation ("SIDC")	Board's Role in Liquidity Risk Management
	SIDC	Asset-Liability Management for Boards
	Messrs. KPMG	ESG Gap Analysis Presentation & Awareness Training for Board of Directors
	TRUEVENTUS	Industrial Estates Asia (Shaping the Future of the Industrial and Logistics Sector)
	Association of Development Finance Institutions of Malaysia	International CEO Forum 2023
	Fresh Upskills Training Sdn Bhd	GREENTECHCON23
	KEXXEL Group	Strategic Finance for Decision Makers
	SIDC	Unlock Success at BFF 2023: Explore the Path to Revolutionary Business Growth
Shahlan Bin Md Shukor @ Kadari	Singapore REITs Symposium	REIT Symposium 2023
	Messrs. Ernst & Young	Cyber Risk Awareness for Amanah Raya Berhad and Subsidiaries
	SIDC	Board's Role in Liquidity Risk Management
	SIDC	Asset-Liability Management for Boards
	Messrs. KPMG	ESG Gap Analysis Presentation & Awareness Training for Board of Directors
Naoto Kojima	Malaysian Institute of Accountants ("MIA")	MIA International Accountants Conference 2023
	Messrs. Ernst & Young	Cyber Risk Awareness for Amanah Raya Berhad and Subsidiaries
	Messrs. KPMG	ESG Gap Analysis Presentation & Awareness Training for Board of Directors

Statement on Corporate Governance

DIRECTOR	ORGANISER	TITLE OF PROGRAMME
Dato' Mohammad Noor Azmall Bin Jamaluddin	Institute of Corporate Directors Malaysia ("ICDM")	Mandatory Accreditation Programme
	Messrs. Ernst & Young	Cyber Risk Awareness for Amanah Raya Berhad and Subsidiaries
	SIDC	Board's Role in Liquidity Risk Management
	SIDC	Asset-Liability Management for Boards
	Messrs. KPMG	ESG Gap Analysis Presentation & Awareness Training for Board of Directors
Nguyen Thi Hoang Hanh	ICDM	Mandatory Accreditation Programme
	Messrs. Ernst & Young	Cyber Risk Awareness for Amanah Raya Berhad and Subsidiaries
	SIDC	Board's Role in Liquidity Risk Management
	SIDC	Asset-Liability Management for Boards
	SIDC	Managing Material Non-Public Information
	Messrs. KPMG	ESG Gap Analysis Presentation & Awareness Training for Board of Directors
Aida Mosira Binti Mokhtar	Messrs. Ernst & Young	Cyber Risk Awareness for Amanah Raya Berhad and Subsidiaries
	SIDC	Board's Role in Liquidity Risk Management
	SIDC	Asset-Liability Management for Boards
	Messrs. KPMG	ESG Gap Analysis Presentation & Awareness Training for Board of Directors
	Maybank Academy	Diversity, Equity & Inclusion (DEI) Conversation
	Success Edge Academy	Train The Trainer - HRD Corporation
	Securities Commission Malaysia	Corporate Venture Capital Programme
	Harvard Business School	Sustainable Investing
	Asian Development Bank	SEA Development Symposium - Imagining a Net Zero ASEAN
	Bursa Malaysia	Bursa PLC Transformation Programme #Digital4SE
	Federation of Malaysian Manufacturers	National Economic Forum 2023
	ICDM	Power Talk : Advancing Cyber Resilience
	MIA	Board Oversight of ESG (Panelist)

Statement on Corporate Governance

DIRECTOR	ORGANISER	TITLE OF PROGRAMME
Aida Mosira Binti Mokhtar (continue)	LSE	How Web 3.0 Technology and Data Policy Combine to Promote Data Sovereignty, Privacy, and Trust Confirmation
	Affin Bank	Economic Conference
	SC	SCXSC Fintech Conference
	Enterprise Risk Managament	Sustainability session for CEOs and Boards
	MIA	ESG Oversight by Boards (Panelist)
	Gulf Xcellence	World ESG Summit 2023 (Panelist)
	Institute of Enterprise Risk Practitioners	Global Risk Conference 2023 (Panelist)
	Messrs. PwC	Cybersecurity
	Messrs. PwC	Asset Liability Management
	Climate Governance Malaysia ("CGM")	National Climate Governance Summit
	CIMB	Cooler Earth Sustainability Summit
	MIA	Audit Committee Conference
	Islamic Finance News	IFN Asia Conference
	SC	Islamic Sustainable Finance and Investment Forum 2023
	Amanah Saham Nasional Berhad	What Amounts to Conflict of Interest by Directors?
	Messrs. KPMG	ESG Talk
	Institute of Corporate Directors Malaysia	Mandatory Accreditation Programme Part 2 (Leading for Impact)
	CGM	Chairperson Masterclass Series 2023
Wan Azman Bin Ismail	Messrs. Ernst & Young	Cyber Risk Awareness for Amanah Raya Berhad and Subsidiaries
	SIDC	Board's Role in Liquidity Risk Management
	SIDC	Asset-Liability Management for Boards
	Messrs. KPMG	ESG Gap Analysis Presentation & Awareness Training for Board of Directors

The Board Committees

The Board has set up the following committees to assist in discharging their duties:

- Audit Committee;
- Investment and Tender Committee; and
- Risk Management and Compliance Committee.

Statement on Corporate Governance

AUDIT COMMITTEE

The Audit Committee ("AC") was formed on 9 June 2009 to assist the Board in the execution of its responsibilities. It comprises of three (3) Independent Non-Executive Members and one (1) Non-Independent Non-Executive Member. The full details on the profile of the AC Member are set out in the Profile of the Board of Directors under page 28 to page 37 of this Annual Report. The full details of AC Members and its duties and responsibilities are outlined in the Audit Committee Report under page 115 of this Annual Report.

INVESTMENT AND TENDER COMMITTEE

The Investment and Tender Committee ("ITC") (formerly known as the Investment Committee and the Tender Committee) was established on 1 December 2023. It operates under the delegated authority from the Board and is represented by Members from various fields including banking and property. The ITC comprises of two (2) Independent Non-Executive Members and two (2) Non-Independent Non-Executive Members. The full details on the profile of the ITC Member are set out under page 38 of this Annual Report.

DUTIES AND RESPONSIBILITIES OF INVESTMENT AND TENDER COMMITTEE

IN RELATION TO INVESTMENT

- a) To provide oversight and endorse proposals from the Management to stimulate the stability, profitability, and liquidity of AKRM and AmanahRaya REIT or anything related thereto and recommend the same for the Board's approval;
 - i) Investment recommendations by the Management;
 - ii) Investment policies and strategies;
 - iii) Investment procedures;
 - iv) The effectiveness of the investment policies and strategies;
 - v) Overall AmanahRaya REIT's performance;
 - vi) Fund raising exercise; and
 - vii) Such other matters as may be determined by the Board.
- b) To review, assess, and decide on any asset acquisition, disposal exercise and fund raising exercise to be undertaken by the AmanahRaya REIT before being presented to the Board for final approval. For this purpose, Management to include materiality threshold in the proposal based on Listing Requirement;
- c) Ensure that AmanahRaya REIT is managed by the Manager in accordance with:
 - AmanahRaya REIT's investment objectives;
 - AmanahRaya REIT's Trust Deed;
 - AmanahRaya REIT's Prospectus;
 - The securities laws and these Guidelines;
 - The internal investment restrictions and policies; and
 - Acceptable and efficacious investment management practices within the real estate investment industry.

Statement on Corporate Governance

- d) To ensure that the investment activities, particularly acquisition of assets, are associated with risks of climate change and aligned with sustainability goals;
- e) To review and assess the appropriate strategies to improve performance of AmanahRaya REIT in accordance with the investment policies and to recommend the same for the Board's approval;
- f) To ensure the investment strategies selected are efficiently implemented by the Management Company or its fund management (if any);
- g) Actively monitor, measure, and evaluate the performance of the management company or its fund management (if any);
- h) To review investment, divestment and any other relevant fees; and
- i) Carry out other duties as may be determined from time to time by the Board.

IN RELATION TO TENDER

- a) To reinforce and inculcate good corporate governance, accountability, integrity and transparency in the tendering process and contract management;
- b) To ensure the elements of Environmental, Social and Governance ("ESG") and sustainability are incorporated in the entire procurement process including but not limited to selection, supply chain, renovation and refurbishment works;
- c) To ensure prudent spending of AmanahRaya REIT fund for refurbishment works, renovation and other related works for all existing and future properties of AmanahRaya REIT and are done in the best interest of AmanahRaya REIT unit holders;
- d) To assist Management in making recommendation for the services provided by the contractor/consultant/service provider and ensuring the tendering process are in accordance with the company procedure, value for money, and are in line with the requirements/specifications of the contract/project to be awarded;
- e) To review the list of tenderers for projects/works of more than RM500,000 and above per transaction, and ensure it is in line with the Company's Limit of Authority;
- f) To recommend all projects/works of more than RM500,000 and above to the Board for approval. The list of all projects/works of RM500,000 and below approved by Management shall be notified to the Committee on quarterly basis;
- g) To assist the Board in fulfilling its statutory and fiduciary responsibilities in overseeing the process of awarding contracts by the Manager;
- h) Award tenders based on merit, always allowing for qualitative and quantitative considerations and competitive pricing where practical and feasible; and
- i) Ensure that adequacy of the Tender Evaluation Report which incorporates both the technical and commercial evaluation and allows fair competition amongst vendors.

Statement on Corporate Governance

The members of the ITC are as follows:

- Wan Azman Bin Ismail (*Chairman*)
- Dato' Mohammed Noor Azmall Bin Jamaluddin
- Shahlan Bin Md Shukor @ Kadari
- Naoto Kojima
- Nguyen Thi Hoang Hanh^(a)

Notes:-

(a) Appointed w.e.f. 1 January 2024

RISK MANAGEMENT AND COMPLIANCE COMMITTEE

The Risk Management and Compliance Committee ("RMCC") was established on 1 December 2023. It operates under the delegated authority from the Board. The RMCC comprises of two (2) Independent Non-Executive Members and two (2) Non-Independent Non-Executive Members.

The Members of the RMCC are as follows:

- Dato' Mohammed Noor Azmall Bin Jamaluddin (*Chairman*)
- Aida Mosira Binti Mokhtar
- Shahlan Bin Md Shukor @ Kadari
- Naoto Kojima

DUTIES AND RESPONSIBILITIES OF RISK MANAGEMENT AND COMPLIANCE COMMITTEE

a) Risk Management Function

To review the adequacy and effectiveness of the risk management framework and satisfy that the risk management framework is meeting its objectives.

Review the following and report the same to the Board:

- i) Oversee the development and annual review of policy and plan for risk management;
- ii) Review and approve the annual corporate risk profile and risk register which specifies key enterprise risks; and
- iii) Deliberate on the effectiveness of risk treatment/mitigation action plan(s) by Management on the enterprise risks including cyber risk is in accordance with regulation which govern the operation and licensing requirement of the Company.

Statement on Corporate Governance

b) Compliance Function Framework

Review the following and report the same to the Board:

- i) Review and approve the annual compliance programme and its progress;
- ii) Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts or non-compliance;
- iii) Obtain regular updates from Management in respect of any new laws and regulations that has impact on the Company from time to time/regular basis;
- iv) Review the effectiveness of the compliance functions and overall management of compliance on AML/CFT risk; and
- v) Review and discuss the findings of any examinations by regulatory authorities.

c) Oversight of the Integrity Management Framework

To oversee the establishment and implementation by management of an Integrity Management Framework for identifying, assessing, monitoring and managing integrity related issues throughout the Company which includes:

- i) Overseeing the conduct of the Company's business and ensure that the business is being managed with integrity;
- ii) Review the adequacy and effectiveness of both the internal control and external control system; and
- iii) Review the effectiveness of control in managing the corruption risk under Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

d) Environmental, Social and Governance ("ESG")

The main purpose of the RMCC is to assist the Board in defining the Company's strategy relating to ESG matters and in reviewing the practices and initiatives of the Company relating to ESG matters ensuring they remain effective and up to date.

- i) Environmental:
The Company's impact on the natural environment and its response to the challenge of climate change including; efficient use of resources, the reduction and management of waste and the environmental impact of the Company's supply chain.
- ii) Social:
The Company's relationships and interactions with employees, customers, suppliers, stakeholders and the communities in which it operates as well as the role of the Company in society, policies, ethical procurement, any social or community projects undertaken by the Group and social aspects of the supply chain, community and stakeholder engagement or partnerships.

Statement on Corporate Governance

iii) Governance:

- 1) The ethical conduct of the Company's business including its corporate governance framework (including compliance with the Quoted Companies Alliance), codes of conduct, counterparty due diligence and onboarding policies and procedures, the management of bribery, corruption and money laundering risk and the transparency of reporting;
- 2) Review and approve AKRM's risk appetite, tolerance and strategy with respect to ESG and climate risks;
- 3) Oversee the management in terms of identification of the Manager's material business risks and setting out risk management strategies, plans and controls to manage the sustainability risks with mitigation and adaptation plans;
- 4) Discuss key ESG risks including climate-related risks and its operational and financial impact;
- 5) Oversee strategy for managing risks and integrate ESG discussions premised on risks and opportunities;
- 6) Ensure sufficient risk management is conducted based on ESG integrated risk parameters;
- 7) Oversee internal controls in place to ensure implementation of ESG initiatives is compliant to laws and regulations and the code of ethics; and
- 8) Oversee climate scenario analysis exercise to determine resilience of the business strategies to material ESG and climate-related risks.

e) **Others**

- i) To ensure that effective risk management, integrity and compliance strategies and policies are in place;
- ii) To exercise appropriate supervisory responsibility with respect to ensuring the reporting of significant risk exposures and non-compliance incidents;
- iii) To consider major findings of internal investigations and recommendations on business process improvement; and
- iv) To review the Sustainability Report and Statement on Risk Management and Internal Control to be published in the Annual Report.

COMPANY SECRETARY

The Company Secretary played an important role in advising the Board on issues relating to compliance with relevant laws, rules, procedures and regulations that may affect the Board, the Manager and AmanahRaya REIT. The Company Secretary is responsible for ensuring that the Board, Board Committees and Unitholders meeting procedures, corporate policies and procedures, and applicable rules and regulations are adhered to. The Company Secretary is also responsible for advising the Board of their obligations and duties to disclose their interests in securities including any conflict of interests in a transaction involving the Manager and AmanahRaya REIT.

Statement on Corporate Governance

ACCOUNTABILITY AND AUDIT FINANCIAL REPORTING

Financial Reporting

The Board is responsible in ensuring that proper maintenance of accounting records for AmanahRaya REIT and appropriate accounting policies had been consistently applied. The Board is assisted by the AC in overseeing AmanahRaya REIT's financial reporting processes and the quality thereof.

Relationship with External Auditors

The external auditors, Messrs KPMG is independent and the appointment was nominated by the Manager and approved by the Trustee. The remuneration of the Auditor was approved by the Trustee.

The Audit Committee also reviews the results of the annual audit, the audit report and management letters, including Management's responses thereon with the auditors. Private sessions between the auditors and the Audit Committee, in the absence of the Management team was held during the period under review.

Internal Control

The Board has an overall responsibility of maintaining a system of internal control that covers financial and operational controls and risk management. The system provides reasonable but not absolute assurance against material misstatement of management and financial information or against financial losses and fraud.

Compliance Officer

The Manager has a dedicated compliance officer, Chief Compliance and Legal Officer working towards ensuring compliance with all legislation, rules and guidelines issued by Securities Commission and Bursa Malaysia as well as the Deed.

MANAGEMENT OF BUSINESS RISK

Effective risk management is an integral part of the Manager's strategic plan. The Manager operates within overall guidelines and specific parameters set by the Board. The risk management framework adopted by the Manager allows it to continuously identify, evaluate, mitigate and monitor risks affecting AmanahRaya REIT and the Manager.

The risk management process is integrated in the day-to-day operations of the Manager, allowing a more practical and hands on approach in identifying mitigating strategies.

Statement on Corporate Governance

RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

The Manager has established procedures that will ensure related party transactions and conflicts of interests are undertaken in full compliance with the SC Listed REIT Guidelines, the Deed and MMLR.

Among the policies adopted by the Manager to deal with potential conflicts of interest issues include:

- transactions on arm's length basis and on normal commercial terms which are not more favourable than those extended to third parties or public and are not to the detriment of the minority Unitholders;
- AmanahRaya REIT's cash or other liquid assets should be placed in a current or deposit account of institutions licensed or approved to accept deposits;
- the Manager may not act as principal in the sale and purchase of real estate, securities and any other assets to and from AmanahRaya REIT; and
- all real estate investment and divestment transactions must be consented by the Trustee, consistent with the investment objective and strategy of AmanahRaya REIT and transacted at a price which is in accordance with the relevant guidelines.

WHISTLEBLOWING POLICY

The Board has put in place procedures to provide employees of the Manager with defined and accessible channels to report on suspected fraud, corruption, dishonest practices or other similar matters relating to AmanahRaya REIT or the Manager, and for the independent investigation of any reports by employees and appropriate follow-up action. The aim of the whistle blowing policy is to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly, and to the extent possible, be protected from reprisal.

COMMUNICATION WITH UNITHOLDERS

The Board acknowledges the importance of regular communication with unitholders and investors via annual reports, circulars, and quarterly financial reports. The Manager has made various announcements that are released to Bursa Malaysia Securities Berhad via Bursa LINK during the period, through which unitholders and investors are able to obtain an overview of AmanahRaya REIT's performance and operations.

AmanahRaya REIT has also established a systematically maintained corporate website, amanahrayareit.com.my, allowing the Unitholders and public to keep abreast with the development of AmanahRaya REIT at all times.

Audit Committee Report

The Audit Committee ("AC") was formed on 9 June 2009 to assist the Board in the execution of its responsibilities. It operates under the delegated authority from the Board and in line with the Main Market Listing Requirement of Bursa Malaysia Securities Berhad ("MMLR"). The Audit Committee of AmanahRaya Real Estate Investment Trust ("AmanahRaya REIT") comprises of three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Directors.

The members of the AC are as follows:

- Aida Mosira Binti Mokhtar (*Chairperson*)^(a)
- Wan Azman Bin Ismail^(b)
- Dato' Mohammed Noor Azmall Bin Jamaluddin^(c)
- Nguyen Thi Hoang Hanh

Notes:-

(a) Re-designated as Chairperson w.e.f. 1 December 2023

(b) Re-designated as Member w.e.f. 1 December 2023

(c) Appointed w.e.f. 1 January 2024

The composition of the AC fulfils the requirements of Paragraphs 15.09(1)(a) and 15.09(1)(b) of the MMLR.

Audit Committee Meetings

The Audit Committee held six (6) meetings during Financial Year Ended 2023 ("FY2023"). The meeting dates were predetermined in advance to ensure availability of each AC member. Meeting papers were circulated to all the AC members prior to the meetings by way of electronic means. The details of attendance of each AC member for FY2023 are as follows:

Directors	Designation	Attendance
Aida Mosira Binti Mokhtar	Independent Non-Executive Director	6/6
Wan Azman Bin Ismail	Independent Non-Executive Director	6/6
Nguyen Thi Hoang Hanh	Non-Independent Non-Executive Director	6/6
Dato' Mohammed Noor Azmall Bin Jamaluddin	Independent Non-Executive Director	Appointed w.e.f. 1 January 2024

Summary of Activities carried out by the Audit Committee during the Financial Year of 2023

The AC shall provide oversight to the internal audit function on the conduct of independent review and objective assurance on the effectiveness of the overall internal control framework, reporting processes and procedures, taking into account methodology used, business and risk profile, as well as the quality of underlying sustainability data to be publicly disclosed.

The main duties and responsibilities of the AC shall include, but are not limited to the following:

Overseeing Financial Reporting

Review the quarterly financial results and year-end financial statements of the Company and AmanahRaya REIT and all portfolios under Management before the approval by the Board, focusing particularly on:

- Changes in or implementation of major accounting policy changes;

Audit Committee Report

- b) Significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
- c) Significant or material adjustments arising from the audit;
- d) Compliance with applicable financial reporting standards, regulatory requirements and other legal requirements; and
- e) The going concern assumption.

External Auditor

To recommend to the Board on matters of the appointment, re-appointment, resignation, dismissals, replacements of external auditors, and their audit fees.

Review the presentation on the following and report the same to the Board:

- f) Audited Financial Statements of the Company and AmanahRaya REIT;
- g) Audit plan, which comprises audit and non-audit services, scope of the audit and areas of audit for the Company to ensure that they are not likely to create conflicts of interest, so as to maintain objective and independence of external auditors;
- h) Audit report prepared by the external auditors;
- i) Evaluations of the system of internal controls;
- j) Audit approach, including coordination of audit efforts with internal audits, and assistance given by the employees to the external auditors;
- k) External auditors' management letters and reports and Management's response thereto; and
- l) Any significant audit findings, reservations, difficulties encountered or material weaknesses arising from the audit and/or reported by the external auditors.

INTERNAL AUDIT FUNCTION

The internal audit function of the Manager outsourced to Group Internal Audit Division of Amanah Raya Berhad ("GIAD") and is led by the Head of Internal Auditor who reports directly to the AC. GIAD is an independent, objective assurance and consulting services unit activity that designed to add value and improve the Manager's operations. It facilitates the Manager to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management and control ("GRC") processes.

GIAD has the principal responsibility for undertaking a regular and systematic review of the GRC so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. Summary of activities undertaken by GIAD during FY2023 are listed below:

- Effectiveness of the Manager's internal control systems, which includes amongst others, operational, compliance and information technology security and control;

Audit Committee Report

- Adequacy of the scope, competency and resources of the internal audit functions and that it has the necessary authority to carry out its works;
- The internal audit plan, processes, the results of the internal audit review, investigation undertaken and whether or not appropriate action is taken on the recommendations;
- Review and verify compliance with the Deed, internal policies and procedures, all applicable laws, regulations and guidelines issued by regulators such as Securities Commission Malaysia ("SC") and Bursa Malaysia related to AmanahRaya REIT operations;
- Review and evaluate the efficiency of operational processes such as leasing, property management, maintenance, tenant services, etc. which includes evaluating the effectiveness of property management practices i.e. lease administration, tenancy, rental collection to ensure properties are well managed, assets are protected, and rental income is maximised;
- Review and verify compliance with lease/rental agreements, including lease/rental terms, tenant improvements, and other contractual obligations to ensure that the AmanahRaya REIT is fulfilling its obligations and maintaining accurate lease/rental records;
- Review and verify the AmanahRaya REIT's capital expenditure processes, approval and monitoring of property improvements and renovations including appointment of Consultants/Contractors/Vendors to ensure that capital expenditures align with AmanahRaya REIT's strategic objectives and are managed effectively;
- Review and evaluate the adequacy of insurance coverage for all AmanahRaya REIT properties to ensure AmanahRaya REIT assets are protected to manage its risk and business continuity;
- Review and evaluate the adequacy, accuracy and compliance of asset valuation processes carried out by Management to ensure that AmanahRaya REIT assets are correctly valued in accordance with securities laws, Guidelines, Prospectus and Deed;
- Review the total borrowings or financing facilities, including borrowings and financing through issuance of debt securities or sukuk and deferred payment arrangement to assess the adequacy of monitoring and compliance with relevant regulations and internal policies;
- Assess efficiency and adequacy of compliance monitoring with applicable laws, regulations, guidelines issued by regulatory authorities such as SC and Bursa Malaysia and internal policies and procedures are functioning effectively;
- Evaluate the adequacy and effectiveness of the internal policies and procedures in ensuring compliance with legal and regulatory requirements;
- Reviewing the accuracy and completeness of compliance reporting, including periodic filings, disclosures, and statutory requirements to ensure that AmanahRaya REIT reporting is in compliance with applicable regulations and provides stakeholders with transparent and reliable information;
- Review AmanahRaya REIT compliance with contractual obligations, including lease agreements, loan agreements, service contracts, and other legal commitments to ensure that AmanahRaya REIT fulfil its contractual obligations and avoiding any potential legal risks or disputes;

Audit Committee Report

- Assess the effectiveness and capabilities of Legal and Compliance Department staff who possess the necessary knowledge, skills and competencies to perform their individual responsibilities effectively and whether all legal documents are appropriately managed and maintained;
- Assess AmanahRaya REIT compliance with relevant regulations and guidelines pertaining to RPT issued by the SC or other regulatory authorities to ensure that AmanahRaya REIT adheres to regulatory requirements and guidelines when engaging in RPT;
- Review the identification and disclosure process of RPT and assess the effectiveness of controls in place to identify related parties, the accuracy and completeness of related party disclosures in financial statements and reports, and compliance with disclosure requirements outlined by the SC or other regulatory bodies;
- Assess the adequacy of approval and authorization processes for RPT and review the roles and responsibilities of key individuals or committees involved in approving RPT, assess the independence and objectivity of decision-makers, and verify that approvals are obtained in accordance with established policies and procedures;
- Evaluate the effectiveness of controls in place to mitigate the risks associated with RPT and review the policies and procedures for monitoring and managing RPT and ensure that appropriate safeguards are in place to protect the interests of AmanahRaya REIT and its unitholders;
- Review the accuracy and completeness of documentation and records related to RPT and assess the existence of appropriate documentation supporting the terms and conditions of RPT, as well as compliance with record-keeping requirements;
- Review and verify the adherence to all record keeping procedures and confidentiality of information; and
- Identify and disclose any non-compliance issue detected during audit exercise and recommend corrective actions and suggestions for continuous improvement.

Statement on Risk Management and Internal Control

Being a Real Estate Investment Trust, AmanahRaya Real Estate Investment Trust ("AmanahRaya REIT") is not subjected to Paragraph 15.26(b) of the MMLR of Bursa Malaysia Securities Berhad. Nevertheless, the Board of Directors of AmanahRaya-Kenedix REIT Manager Sdn. Bhd. ("the Manager") has voluntarily opted to include this Statement on Internal Control to demonstrate its commitment in maintaining a sound and effective system of internal control.

THE BOARD'S RESPONSIBILITY

The Board is responsible for ensuring the adequacy and integrity of the overall internal control systems and policies. Strong emphasis has been given by the Board in maintaining a sound system of internal control and effective risk management practices.

Notwithstanding the above, the Board also acknowledges that a sound system of internal control can mitigate but not eliminate the risk of failure in achieving the identified business objectives. It is therefore pertinent to note that the adopted system of internal control should be able to provide reasonable protection against material losses but not absolute shield against the same.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Manager has established, among others, the following systems of internal control to protect the interest of the Unitholders:

- An operational manual has been established to outline the structure and framework in managing the overall operations of the Manager. The operational manual includes inter-alia policies and procedures on acquisition and disposal of properties, property management processes, financial and operational reporting as well as continuing listing and compliance obligations. The operational manual is subject to periodical review and will be updated as and when necessary;
- Authority limits have been specified for the operations of AmanahRaya REIT including but not limited to approvals on investments and divestments, banking facilities, capital and operating expenditure as well as engagement of services from external parties. Approvals from Pacific Trustees Berhad ("the Trustee") and the Board are required for matters of certain threshold limits whereas those which do not exceed the threshold limits are delegated to other Board committees or the Managing Director ("MD") / Chief Executive Officer ("CEO") to facilitate operational efficiency. A set of other authorised personnel have also been identified to approve and release payments for transactions with prior approval in accordance with the authority limits;
- The Manager has adopted a group wide Integrity Plan and Code of Business Ethics towards recognising and resolving ethical issues that may be encountered in conducting its daily operations. The Code of Business Ethics addresses among others, issues on conflict of interest, whistleblowing policy, ethics and responsibility to stakeholders;
- An Enterprise Risk Management Policy which sets out the approaches and expectations in relation to risk management has also been adopted by the Manager. Via the policy, the Board recognises that risk management is an integral part of good management and corporate governance practice;
- Internal Audit services are outsourced to the Manager's holding company, Amanah Raya Berhad. The cost incurred by the Manager for the outsourced Internal Audit Function in respect of the financial year ended 2023 amounted to RM47,822. Findings obtained from internal audit activities are reported directly to Audit Committee ("the AC") and are independent from the management team of the Manager;

Statement on Risk Management and Internal Control

- Scheduled regular meetings of the Board, the AC and Investment and Tender Committee (“ITC”) and the Risk Management & Compliance Committee (“RMCC”) with representation from the management provide the key to systematic monitoring of AmanahRaya REIT’s activities. The MD/CEO is entrusted to manage the daily operations of the Manager and AmanahRaya REIT and holds the responsibility of leading the respective heads of departments towards achieving the identified objectives;
- To maintain quality and efficiency, the Manager’s personnel across all functions are given the opportunity to attend relevant trainings. A systematic staff performance appraisal mechanism has also been adopted to ensure adequate and sufficient rewards are awarded to well-deserving personnel;
- The AC conducts reviews on issues relating to the effectiveness of the internal control system raised by internal and external auditors, regulatory authorities and the management. Where a weakness on internal control mechanism is identified, the AC shall ensure that appropriate remedial action is taken by the management. Management is reviewing the audit findings raised by the Group Internal Auditor;
- The ITC reviews and scrutinizes all investment, divestment and fund-raising proposals recommended by the management. The reviewing process includes identification of risks involved in such activities towards ensuring that AmanahRaya REIT is managed in accordance with its objectives. The ITC also holds the responsibility of actively monitoring the performance of the Manager and AmanahRaya REIT; and
- All recommendations endorsed by the AC and ITC shall be presented for review and approval by the Board.

REVIEW OF THIS STATEMENT

Based on the above, the Board is of the view that the risk management and internal control system adopted by the Manager is adequate and sufficient to ensure good corporate governance for AmanahRaya REIT. Assurance had been received from the MD/CEO and Chief Financial Officer (“CFO”) that the risk management and internal control system of the Manager in relation to managing the operations of AmanahRaya REIT, is operating adequately and effectively, in all material aspects, based on the risk management and internal control system set in place by the Manager.

This Statement has been tabled and approved by the Board on 28 February 2024.



Statutory Financial Statements

- 122** Statement by the Manager
- 122** Statutory Declaration
- 123** Trustee's Report to the Unitholders
- 124** Independent Auditors' Report to the Unitholders
- 128** Statement of Financial Position
- 130** Statement of Profit or Loss and Other Comprehensive Income
- 133** Statement of Changes in Net Asset Value
- 134** Statement of Cash Flows
- 135** Notes to the Financial Statements

Statement by the Manager

In the opinion of the Directors of the Manager, the financial statements set out on pages 128 to 166 are drawn up in accordance with the provisions of the Amended and Restated Trust Deed dated 5 December 2019, Securities Commission's Guidelines on Listed Real Estate Investment Trusts, the Listing Requirements of Bursa Malaysia Securities Berhad, the Rules of the Depository and taxation laws and rulings, Capital Markets & Services Act 2007, Malaysian Financial Reporting Standards and IFRS Accounting Standard as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), so as to give a true and fair view of the financial position of AmanahRaya Real Estate Investment Trust as at 31 December 2023 and of its financial performance and cash flows for the financial year ended on that date.

For and on behalf of the Manager,
AmanahRaya-Kenedix REIT Manager Sdn. Bhd.
Signed in accordance with a resolution of the Directors of the Manager:

YM Tunku Rozita Binti Tunku Abdul Malek

Kuala Lumpur,

Date: 28 February 2024

Statutory Declaration

I, **Kamarul Azman Bin Kamarozaman @ Amir**, the officer of AmanahRaya-Kenedix REIT Manager Sdn. Bhd. primarily responsible for the financial management of AmanahRaya Real Estate Investment Trust, do solemnly and sincerely declare that the financial statements set out on pages 128 to 166 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed, Kamarul Azman bin Kamarozaman @ Amir, (I/C No. 731126-10-5027), in Kuala Lumpur on 28 February 2024.

Kamarul Azman Bin Kamarozaman @ Amir

Before me:

Trustee's Report

To The Unitholders Of AmanahRaya Real Estate Investment Trust
(Established in Malaysia)

We, Pacific Trustees Berhad, have acted as Trustee of AmanahRaya Real Estate Investment Trust ("AmanahRaya REIT or "the Trust") for the financial year ended 31 December 2023. In our opinion and to the best of our knowledge:

- (a) AmanahRaya-Kenedix REIT Manager Sdn. Bhd. ("the Manager") has managed AmanahRaya REIT in accordance with the limitations imposed on the investment powers of the Manager and the trustee under the Trust Deed dated 10 October 2006 (as varied by the Supplemental Trust Deed dated 4 January 2007, the Novation Agreement dated 27 August 2009, the Second Supplemental Trust Deed dated 27 August 2009 and the Supplemental Deed dated 13 May 2019) (collectively be referred to as "the Trust Deed"), the Securities Commission's Guidelines on Listed Real Estate Investment Trusts, the Capital Markets and Services Act 2007 and other applicable laws during the financial year ended 31 December 2023; and
- (b) the procedures and processes employed by the Manager to value and price the units of AmanahRaya REIT are adequate and that such valuation/pricing is carried out in accordance with the Trust Deed and other regulatory requirements.

We also confirm that the income distributions declared and paid during the financial year ended 31 December 2023 are in line with and are reflective of the objectives of AmanahRaya REIT. Two distributions have been declared for the financial year ended 31 December 2023 as follows:

- 1) 1st semi-annual income distribution of 0.8325 sen per unit paid on 12 October 2023
- 2) Final income distribution of 0.3655 sen per unit payable on 16 April 2024

For and on behalf of the Trustee,
Pacific Trustees Berhad
(Company No.: 199401031319 (317001-A))

Razak Bin Ahmad
Chief Executive Officer
Kuala Lumpur,
Date: 28 February 2024

Independent Auditors' Report

To The Unitholders Of AmanahRaya Real Estate Investment Trust
(Established in Malaysia)

Opinion

We have audited the financial statements of AmanahRaya Real Estate Investment Trust ("AmanahRaya REIT"), which comprise the statement of financial position as at 31 December 2023, and the statements of profit or loss and other comprehensive income, statements of changes in net asset value and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 128 to 166.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AmanahRaya REIT as at 31 December 2023, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standard as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of AmanahRaya REIT in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matter

Key audit matter is a matter that, in our professional judgement, were of most significance in our audit of the financial statements of AmanahRaya REIT for the current year. This matter was addressed in the context of our audit of the financial statements of AmanahRaya REIT as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of investment properties

Refer to Note 4, Investment Properties to the financial statements.

The key audit matter

AmanahRaya REIT owns a portfolio of 10 investment properties comprising office/industrial buildings, hotels, a college, campuses and a shopping complex located in Malaysia. Investment properties represent the single largest category of assets on the statement of financial position, at RM1,242,250,000 as at 31 December 2023.

These investment properties are stated at their fair values based on independent external valuations.

The valuation process involves judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied i.e. a small change in the assumptions can have a significant impact to the valuation.

This is a key audit matter as some of the key assumptions are based on unobservable inputs and hence, significant judgement is required to evaluate the unobservable inputs.

Independent Auditors' Report

To The Unitholders Of AmanahRaya Real Estate Investment Trust
(Established in Malaysia)

Valuation of investment properties (continued)

How the matter was addressed in our audit

We assessed the processes and controls of AmanahRaya-Kenedix REIT Manager Sdn. Bhd. ("the Manager") for the selection of the external valuers, the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers.

We evaluated the qualifications and competence of the external valuers based on their membership of recognised professional body. We also examined the terms of engagement of the valuers entered into with AmanahRaya REIT to determine whether there were any matters that might have affected the valuers' objectivity or placed limitations on their scope of work.

We assessed the appropriateness of the valuation methodologies used by considering their respective merits based on the occupancy status and/or condition of each property.

We tested the appropriateness of the projected cash flows used in the valuation to supporting lease agreements and title deeds. We challenged the capitalisation rates used in the valuation by comparing them against historical rates and available industry data. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

In respect of sales comparison and cost method, we tested the underlying data used by the valuers in the valuations. We also considered the adjustments made by the valuers, if any, for appropriateness.

We also considered the adequacy of disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

Information Other than the Financial Statements and Auditors' Report Thereon

The Manager is responsible for the other information. The other information comprises the information included in the Statement on Risk Management and Internal Control (but does not include the financial statements of AmanahRaya REIT and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of AmanahRaya REIT does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of AmanahRaya REIT, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of AmanahRaya REIT or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Manager and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Independent Auditors' Report

To The Unitholders Of AmanahRaya Real Estate Investment Trust
(Established in Malaysia)

Responsibilities of the Manager for the Financial Statements of AmanahRaya REIT

The Manager is responsible for the preparation of the financial statements of AmanahRaya REIT so as to give a true and fair view in accordance with the Amended and Restated Trust Deed dated 5 December 2019, Securities Commission's Guidelines on Listed Real Estate Investment Trusts, the Listing requirements of Bursa Malaysia Securities Berhad, the Rules of the Depository and taxation laws and rulings, the Capital Markets & Services Act 2007, Malaysian Financial Reporting Standards and IFRS Accounting Standard as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of AmanahRaya REIT that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of AmanahRaya REIT, the Manager is responsible for assessing AmanahRaya REIT's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate AmanahRaya REIT or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing AmanahRaya REIT's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements of AmanahRaya REIT

Our objectives are to obtain reasonable assurance about whether the financial statements of AmanahRaya REIT as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements of AmanahRaya REIT.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of AmanahRaya REIT, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of AmanahRaya REIT.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on AmanahRaya REIT's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of AmanahRaya REIT or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause AmanahRaya REIT to cease to continue as a going concern.

Independent Auditors' Report

To The Unitholders Of AmanahRaya Real Estate Investment Trust
(Established in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements of AmanahRaya REIT (continued)

- Evaluate the overall presentation, structure and content of the financial statements of AmanahRaya REIT, including the disclosures, and whether the financial statements of AmanahRaya REIT represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within AmanahRaya REIT to express an opinion on the financial statements of AmanahRaya REIT. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of AmanahRaya REIT for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The report is made solely to the unitholders of AmanahRaya REIT and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 28 February 2024

Chan Kah Mun
Approval Number: 03350/01/2026 J
Chartered Accountant

Statement of Financial Position

As At 31 December 2023

	Note	2023 RM	2022 RM
Assets			
Non-current assets			
Investment properties	4	1,242,250,000	1,240,300,000
		1,242,250,000	1,240,300,000
Current assets			
Trade and other receivables	5	5,073,630	5,471,668
Security deposits in trust accounts	6	9,683,565	9,452,200
Cash and cash equivalents	7	16,936,661	32,069,563
		31,693,856	46,993,431
Assets classified as held for sale	8	125,000,000	125,000,000
Total current assets		156,693,856	171,993,431
Total assets		1,398,943,856	1,412,293,431
Financed by:			
Unitholders' funds			
Unitholders' capital	9	519,685,915	519,685,915
Reserves		206,280,848	216,102,248
Total unitholders' funds		725,966,763	735,788,163
Non-current liabilities			
Borrowings	10	550,427,965	610,254,963
Trade and other payables	11	1,698,471	11,239,294
Total non-current liabilities		552,126,436	621,494,257
Current liabilities			
Borrowings	10	8,000,000	25,881,840
Trade and other payables	11	99,425,657	15,415,171
Deferred tax liabilities	12	13,425,000	13,714,000
Total current liabilities		120,850,657	55,011,011
Total liabilities		672,977,093	676,505,268
Total unitholders' funds and liabilities		1,398,943,856	1,412,293,431

Statement of Financial Position

As At 31 December 2023

	Note	2023 RM	2022 RM
Net asset value ("NAV")			
- Before income distribution		725,966,763	735,788,163
- After income distribution		723,871,614	725,698,875
Number of units in circulation		573,219,858	573,219,858
NAV per unit (RM)			
- Before income distribution		1.266	1.284
- After income distribution		1.263	1.266

The notes on pages 135 to 166 are an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 31 December 2023

	Note	2023 RM	2022 RM
Gross revenue			
Rental income			
- Realised		72,276,227	77,719,320
- Unrealised (in relation to unbilled lease income receivable)		121,422	135,880
		72,397,649	77,855,200
Property operating expenses	13	(25,912,601)	(21,660,075)
Net property income		46,485,048	56,195,125
Finance income		531,247	513,169
Other income		2,168,127	895,532
Changes in fair value of investment properties			
- As per valuation	4	(2,879,278)	(1,715,432)
- On assets classified as held for sale	4	-	(4,740,000)
- Unbilled lease income receivable		(121,422)	(135,880)
Net property and investment income		46,183,722	51,012,514
Manager's fees		(6,234,861)	(6,330,098)
Trustee's fees		(251,973)	(271,395)
Valuation fees		(224,123)	(266,509)
Auditors' fees			
- Audit		(156,000)	(166,000)
- Other services		(10,000)	(17,000)
Net loss on impairment of financial instruments		-	(644,627)
Administrative expenses		(2,830,953)	(1,879,310)
Finance costs		(31,724,922)	(26,206,023)
Total trust expenses		(41,432,832)	(35,780,962)
Net income before taxation		4,750,890	15,231,552
Tax benefit/(expense)	14	289,000	(2,931,000)
Net income for the year and total comprehensive income for the year attributable to unitholders		5,039,890	12,300,552

The notes on pages 135 to 166 are an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 31 December 2023 (continued)

	Note	2023 RM	2022 RM
Net income for the year is made up as follows:			
Realised		7,630,168	21,686,984
Unrealised			
- Unrealised rental income (in relation to unbilled lease income receivable)		121,422	135,880
- Change in fair value of investment properties			
- As per valuation	4	(2,879,278)	(1,715,432)
- On assets classified as held for sale	4	-	(4,740,000)
- Unbilled lease income receivable		(121,422)	(135,880)
- Deferred tax income/(expense)	12	289,000	(2,931,000)
		(2,590,278)	(9,386,432)
		5,039,890	12,300,552
Earnings per unit (sen)			
- Before Manager's fees	15	1.967	3.250
- After Manager's fees	15	0.879	2.146
Net income distribution*			
- First semi-annual income distribution of 1.6449 sen per unit paid on 11 October 2022		-	9,429,088
- Final income distribution of 1.7601 sen per unit payable on 11 April 2023		-	10,089,288
- First semi-annual income distribution of 0.8325 sen per unit paid on 11 October 2023		4,772,002	-
- Proposed final income distribution of 0.3655 sen per unit payable on 16 April 2024		2,095,149	-
	16	6,867,151	19,518,376

The notes on pages 135 to 166 are an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 31 December 2023 (continued)

	Note	2023	2022
Income distribution per unit (sen)*	16		
- First semi-annual income distribution		-	1.6449
- Final income distribution		-	1.7601
- First semi-annual income distribution		0.8325	-
- Proposed final income distribution		0.3655	-

* Withholding tax will be deducted for distributions made for the following categories of unitholders:

	Withholding tax rate	
	2023	2022
Resident corporate	Nil [^]	Nil [^]
Resident non-corporate	10%	10%
Non-resident individual	10%	10%
Non-resident corporate	24%	24%
Non-resident institutional	10%	10%

[^] Tax flow through; thus no withholding tax

The notes on pages 135 to 166 are an integral part of these financial statements.

Statement of Changes in Net Asset Value

For The Year Ended 31 December 2023

		<i>Distributable</i>	<i>Non-distributable</i>	
	Unitholders' capital	Realised income	Unrealised income	Total unitholders' funds
	RM	RM	RM	RM
At 1 January 2022	519,685,915	42,441,057	183,478,453	745,605,425
Net income for the year	-	21,686,984	(9,386,432)	12,300,552
Total comprehensive income for the year	-	21,686,984	(9,386,432)	12,300,552
<i>Contributions by and distributions to unitholders</i>				
Distributions to unitholders:				
- 2022 interim	-	(9,429,088)	-	(9,429,088)
- 2021 final	-	(12,688,726)	-	(12,688,726)
Total transactions with unitholders	-	(22,117,814)	-	(22,117,814)
At 31 December 2022/1 January 2023	519,685,915	42,010,227	174,092,021	735,788,163
Net income for the year	-	7,630,168	(2,590,278)	5,039,890
Total comprehensive income for the year	-	7,630,168	(2,590,278)	5,039,890
<i>Contributions by and distributions to unitholders</i>				
Distributions to unitholders:				
- 2023 interim	-	(4,772,002)	-	(4,772,002)
- 2022 final	-	(10,089,288)	-	(10,089,288)
Total transactions with unitholders	-	(14,861,290)	-	(14,861,290)
At 31 December 2023	519,685,915	34,779,105	171,501,743	725,966,763

Note 9.1

The notes on pages 135 to 166 are an integral part of these financial statements.

Statement of Cash Flows

For The Year Ended 31 December 2023

	Note	2023 RM	2022 RM
Cash flows from operating activities			
Net income before taxation		4,750,890	15,231,552
<i>Adjustments for:</i>			
Finance costs		31,724,922	26,206,023
Finance income		(531,247)	(513,169)
Net impairment loss on financial instruments		-	644,627
Changes in fair value of investment properties			
- as per valuation	4	2,879,278	1,715,432
- on assets classified as held for sale	4	-	4,740,000
Operating profit before changes in working capital		38,823,843	48,024,465
Change in trade and other receivables		166,673	3,516,370
Change in trade and other payables		4,469,663	(3,700,854)
Net cash from operating activities		43,460,179	47,839,981
Cash flows from investing activities			
Interest received		531,247	504,950
Proceeds from disposal of investment properties		-	8,245,000
Enhancement of investment properties	4	(4,829,278)	(2,255,432)
Net cash (used in)/generated from investing activities		(4,298,031)	6,494,518
Cash flows from financing activities			
Distributions paid to unitholders		(14,861,290)	(22,117,814)
Interest paid		(31,433,760)	(25,914,862)
Repayment of term loan		(8,000,000)	(8,000,000)
Net cash used in financing activities		(54,295,050)	(56,032,676)
Net decrease in cash and cash equivalents		(15,132,902)	(1,698,177)
Cash and cash equivalents at 1 January	7	32,069,563	33,767,740
Cash and cash equivalents at 31 December	7	16,936,661	32,069,563

The notes on pages 135 to 166 are an integral part of these financial statements.

Notes to the Financial Statements

1. General

AmanahRaya Real Estate Investment Trust ("AmanahRaya REIT" or "the Trust") is a Malaysia domiciled real estate investment trust constituted between AmanahRaya-Kenedix REIT Manager Sdn. Bhd. ("the Manager") and CIMB Islamic Trustee Berhad. On 13 May 2019, the Manager, CIMB Islamic Trustee Berhad ("Retiring Trustee") and Pacific Trustees Berhad ("New Trustee" or "the Trustee") entered into a supplementary deed to effect the change of trustee of AmanahRaya REIT from the Retiring Trustee to the New Trustee. The change of trustee took effect on 21 May 2019 upon the registration and lodgement of the Supplementary Deed with the Securities Commission on 24 May 2019.

Subsequently, the Manager entered into an Amended and Restated Trust Deed dated 5 December 2019 ("the Trust Deed") with the Trustee which has been registered and lodged with the Securities Commission on 10 January 2020 and 16 January 2020, respectively, in compliance with the amendments made to the Securities Commission's Guidelines on Listed Real Estate Investment Trusts. The Trust Deed is regulated by the Securities Commission's Guidelines on Listed Real Estate Investment Trusts, the Listing Requirements of Bursa Malaysia Securities Berhad, the Rules of the Depository and taxation laws and rulings. AmanahRaya REIT will continue its operations until such time as determined by the Trustee and the Manager as provided under the provision of Clause 26 of the Trust Deed dated 10 October 2006. AmanahRaya REIT is listed on the Main Market of Bursa Malaysia Securities Berhad.

The addresses of its registered office and principal place of business are as follows:

Registered office

Level 11, Wisma AmanahRaya
No. 2, Jalan Ampang
50508 Kuala Lumpur

Principal place of business

Level 46, Vista Tower
The Intermark, 348 Jalan Tun Razak
50400 Kuala Lumpur

The financial statements as at and for the financial year ended 31 December 2023 comprise AmanahRaya REIT and its wholly-owned special purpose company, AmanahRaya REIT MTN 1 Sdn. Bhd., a company incorporated in Malaysia, of which the principal activity is to raise financing for and on behalf of AmanahRaya REIT.

AmanahRaya REIT is principally engaged in investing in a diversified portfolio of properties with the objectives of achieving an attractive level of return from rental income and long-term capital growth. There has been no significant change in the nature of this activity during the financial year.

AmanahRaya REIT has entered into several service agreements in relation to the management of AmanahRaya REIT and its property operations. The fee structures of these services are as follows:

(a) Property management fees

The Property Managers, Knight Frank Property Management Sdn. Bhd., CBRE WTW Property Services Sdn. Bhd. and IM Global Property Consultants Sdn. Bhd. are entitled to property management fees in respect of the management of the investment properties owned by AmanahRaya REIT as provided for in the Trust Deed. The fees are determined by a graduated scale based on the gross annual rental income as provided in the provisions of the revised Valuers, Appraisers and Estate Agents Act, 1981. The property management fees are payable monthly in arrears with permissible discounts.

Notes to the Financial Statements

1. General (continued)

(b) Manager's fees

Pursuant to the Trust Deed, the Manager is entitled to receive a fee of up to a maximum of 1.0% per annum of the Net Asset Value of AmanahRaya REIT. The Manager's fee is payable in arrears, calculated and accrued daily. However, the Manager has only been charging at the rate of 0.85% (2022: 0.85%) per annum of the Net Asset Value.

(c) Trustee's fees

Pursuant to the Deed, the Trustee is entitled to receive a fee of up to a maximum of 0.1% per annum of the NAV of the Trust. The Trustee's fee is payable in arrears, calculated and accrued daily. However, the Trustee has only been charging at the rate of 0.03% (2022: 0.03%) per annum of the Net Asset Value.

The financial statements were approved by the Board of Directors of the Manager on 28 February 2024.

2. Basis of preparation

(a) Statement of compliance

The financial statements of AmanahRaya REIT have been prepared in accordance with the provisions of the Trust Deed, the Securities Commission's Guidelines on Listed Real Estate Investment Trusts, applicable securities laws, Malaysian Financial Reporting Standards ("MFRSs") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by AmanahRaya REIT:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Notes to the Financial Statements

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

AmanahRaya REIT plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024; and
- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the abovementioned amendments is not expected to have any material financial impact to the current period and prior period financial statements of AmanahRaya REIT.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except as otherwise stated in the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the functional currency of AmanahRaya REIT.

(d) Use of estimates and judgments

The preparation of the financial statements in conformity with MFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

There are no significant areas of estimation uncertainty and critical judgments in applying accounting policies that have a significant effect on the amounts recognised in the financial statements other than as disclosed in Note 4 – valuation of investment properties.

Notes to the Financial Statements

3. Change in material accounting policies

Material accounting policy information

AmanahRaya REIT adopted amendments to MFRS 101, *Presentation of Financial Statements and MFRS Practice Statement 2 – Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to AmanahRaya REIT's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

4. Investment properties

	Note	2023 RM	2022 RM
Land and buildings at fair value:			
At 1 January		1,240,300,000	1,369,500,000
Enhancements		4,829,278	2,255,432
Changes in fair value		(2,879,278)	(6,455,432)
Reclassified to asset held for sale	8	-	(125,000,000)
At 31 December		1,242,250,000	1,240,300,000

The fair values of the investment properties are categorised as Level 3 fair value and the reconciliation of the fair value movement is as shown above.

Notes to the Financial Statements

4. Investment properties (continued)

Details of the investment properties are as follows:

Item	Description of property	Tenure of land	Term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2023	Fair value as at 31.12.2023	Cost as at 31.12.2023	Percentage of fair value to Net Asset Value as at 31.12.2023
						%	RM	RM	%
(1)	SEGi College*	Freehold	Not applicable	Subang Jaya	College	100	70,000,000	53,107,807	9.64
(2)	SEGi University*	Leasehold	99 years expiring 2108	Kota Damansara	College/Campus	100	186,000,000	149,135,700	25.62
(3)	Dana 13#	Leasehold	99 years expiring 2097	Petaling Jaya	Office	45	111,000,000	100,077,473	15.29
(4)	Help University*	Leasehold	99 years expiring 2072	Kuala Lumpur	Office	100	78,100,000	55,476,889	10.76
(5)	Selayang Mall	Leasehold	99 years expiring 2079	Selayang Utama	Shopping complex	95	139,000,000	136,582,208	19.15
(6)	Wisma Comcorp*	Freehold	Not applicable	Shah Alam	Office	65	36,800,000	30,000,000	5.07
(7)	RHF Stone Factory*	Freehold	Not applicable	Nusa Jaya	Industrial factory	100	26,850,000	24,216,510	3.70
(8)	Toshiba TEC	Freehold	Not applicable	Shah Alam	Office	-	31,000,000	32,342,972	4.27
(9)	Contraves*	Freehold	Not applicable	Cyberjaya	Office	100	42,500,000	40,232,532	5.85
(10)	Vista Tower*	Freehold	Not applicable	Kuala Lumpur	Office	35	521,000,000	457,715,633	71.77
Investment properties							1,242,250,000	1,078,887,724	

Notes to the Financial Statements

4. Investment properties (continued)

Details of the investment properties are as follows: (continued)

Item of property	Description	Tenure of land	Term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2022	Fair value as at 31.12.2022 RM	Cost as at 31.12.2022 RM	Percentage of fair value to Net Asset Value as at 31.12.2022 %
(1)	Ex-Holiday Villa Alor Setar#	Leasehold	99 years expiring 2107	Alor Setar	Hotel	-	25,000,000	31,000,000	3.40
(2)	Holiday Villa Langkawi*	Freehold	Not applicable	Pulau Langkawi	Resort hotel	100	104,740,000	59,541,214	14.24
(3)	SEGi College*	Freehold	Not applicable	Subang Jaya	College	100	70,000,000	53,107,807	9.51
(4)	SEGi University*	Leasehold	99 years expiring 2108	Kota Damansara	College/Campus	100	186,000,000	147,600,743	25.28
(5)	Dana 13#	Leasehold	99 years expiring 2097	Petaling Jaya	Office	54	111,000,000	100,077,472	15.09
(6)	Help University*	Leasehold	99 years expiring 2072	Kuala Lumpur	Office	100	78,000,000	55,476,889	10.60
(7)	Selayang Mall	Leasehold	99 years expiring 2079	Selayang Utama	Shopping complex	94	138,000,000	136,582,208	18.76
(8)	Wisma Comcorp*	Freehold	Not applicable	Shah Alam	Office	88	36,500,000	30,000,000	4.96
(9)	RHF Stone Factory*	Freehold	Not applicable	Nusa Jaya	Industrial factory	100	26,800,000	24,216,510	3.64
(10)	Toshiba TEC	Freehold	Not applicable	Shah Alam	Office	100	31,000,000	32,142,972	4.21
(11)	Contraves*	Freehold	Not applicable	Cyberjaya	Office	100	42,000,000	40,232,532	5.71
(12)	Vista Tower*	Freehold	Not applicable	Kuala Lumpur	Office	53	521,000,000	457,715,633	70.81
Investment properties							1,370,040,000	1,167,693,980	
Investment properties (item 1 and item 2) classified as asset held for sale (Note 8)							(129,740,000)	(90,541,214)	
							1,240,300,000	1,077,152,766	

* These properties were charged to financial institutions for banking facilities granted to AmanahRaya REIT (Note 10). The pledging of assets of AmanahRaya REIT was conducted pursuant to the Trust Deed under sub-clause 11.2 and is not prejudicial to the interest of the unitholders.

The title deeds of all properties of AmanahRaya REIT are registered under the name of the Trustee, except for these properties, which are pending the issuance of separate individual titles.

Notes to the Financial Statements

4. Investment properties (continued)

The fair value of the investment properties as at 31 December 2023 was derived by the Directors of the Manager based on values obtained from latest valuations conducted by independent firms of professional valuers as shown below. The properties were valued by the following appointed valuers adopting suitable valuation approaches depending on the type of properties.

Item	Description of property	Valuer	Method of valuation	Date of valuation
(1)	SEGi College	Raine & Horne International Zaki Partners Sdn. Bhd.	Investment	31 December 2023
(2)	SEGi University	Raine & Horne International Zaki Partners Sdn. Bhd.	Investment	31 December 2023
(3)	Dana 13	Raine & Horne International Zaki Partners Sdn. Bhd.	Investment	31 December 2023
(4)	Help University	First Pacific Valuers Sdn. Bhd.	Investment	31 December 2023
(5)	Selayang Mall	First Pacific Valuers Sdn. Bhd.	Investment	31 December 2023
(6)	Wisma Comcorp	First Pacific Valuers Sdn. Bhd.	Investment	31 December 2023
(7)	RHF Stone Factory	Raine & Horne International Zaki Partners Sdn. Bhd.	Investment	31 December 2023
(8)	Toshiba TEC	First Pacific Valuers Sdn. Bhd.	Investment	31 December 2023
(9)	Contraves	First Pacific Valuers Sdn. Bhd.	Investment	31 December 2023
(10)	Vista Tower	Raine & Horne International Zaki Partners Sdn. Bhd.	Investment	31 December 2023

The fair value of the investment properties as of 31 December 2022 were derived from the Directors of the Manager based on values obtained from latest valuations conducted by independent firms of professional valuers as shown below. The properties were valued by the following appointed valuers adopting suitable valuation approaches depending on the type of properties.

Item	Description of property	Valuer	Method of valuation	Date of valuation
(1)	Ex-Holiday Villa Alor Setar	Rahim & Co.	Comparison	31 December 2022
(2)	Holiday Villa Langkawi	Rahim & Co.	Investment	31 December 2022
(3)	SEGi College	C H Williams Talhar & Wong Sdn. Bhd.	Investment	31 December 2022
(4)	SEGi University	C H Williams Talhar & Wong Sdn. Bhd.	Investment	31 December 2022
(5)	Dana 13	Jones Lang Wootton	Investment	31 December 2022
(6)	Help University	Nawawi Tie Leung Property Consultants Sdn. Bhd.	Investment	31 December 2022
(7)	Selayang Mall	Knight Frank Malaysia Sdn. Bhd.	Discounted cash flow	31 December 2022
(8)	Wisma Comcorp	Knight Frank Malaysia Sdn. Bhd.	Cost	31 December 2022
(9)	RHF Stone Factory	Savills (Malaysia) Sdn. Bhd.	Investment	31 December 2022
(10)	Toshiba TEC	Nawawi Tie Leung Property Consultants Sdn. Bhd.	Investment	31 December 2022
(11)	Contraves	Jones Lang Wootton	Investment	31 December 2022
(12)	Vista Tower	Rahim & Co	Investment	31 December 2022

Notes to the Financial Statements

4. Investment properties (continued)

The following are recognised in profit or loss in respect of investment properties:

		2023	2022
	Note	RM	RM
Rental income			
- Realised		72,276,227	77,719,320
- Unrealised (in relation to unbilled lease income receivable)		121,422	135,880
		72,397,649	77,855,200
Property operating expenses	13	(25,912,601)	(21,660,075)
Net property income		46,485,048	56,195,125

4.1 Operating lease receivable

The operating lease payments to be received are as follows:

	2023	2022
	RM	RM
Less than one year	52,304,392	56,374,172
One to two years	41,366,147	41,485,385
Two to three years	27,691,202	34,893,231
Three to four years	21,916,944	22,785,337
Four to five years	6,467,819	16,553,301
More than five years	61,373,522	1,097,654
Total undiscounted lease payments	211,120,026	173,189,080

4.2 Fair value information

Fair values of investment properties are categorised as follows:

	2023	2022
	Level 3	Level 3
	RM	RM
Land and buildings	1,242,250,000	1,240,300,000

Notes to the Financial Statements

4. Investment properties (continued)

4.2 Fair value information (continued)

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<p>The investment method considers income and expense data relating to the subject property being valued and estimates value through a capitalisation process.</p> <p>Capitalisation relates income (usually a net income figure) and a defined value by converting an income amount into a value estimate. This process may consider direct relationships (known as capitalisation rates), yield or discount rates (reflecting measures of return on investment), or both. In general, the principle of substitution holds that the income stream which produces the highest return commensurate with a given level of risk leads to the most probable value figure.</p>	<ul style="list-style-type: none"> Risk-adjusted capitalisation rates ranging from 5.75% - 6.50% (2022: 5.00% - 6.50%). Risk-adjusted reversion rates ranging from 6.00% - 7.00% (2022: 5.25% - 6.75%). 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> Risk-adjusted capitalisation rates were lower (higher). Risk-adjusted discount rates were lower (higher).
<p>The comparison method considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. In general, the property being valued is compared with sales of similar properties that have been transacted in the open market.</p> <p>Listing and offering may also be considered. Valuation under this method may be significantly affected by the timing and the characteristics (such as location, accessibility, design, size and condition) of the property transactions used for comparison.</p>	<ul style="list-style-type: none"> Holiday Villa Alor Setar: Adjusted value in 2022 was RM167.00 per sq. ft. Holiday Villa Langkawi: Adjusted value in 2022 was RM460,000 per room. 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> Adjusted land value per square foot/per room was higher (lower).

Notes to the Financial Statements

4. Investment properties (continued)

4.2 Fair value information (continued)

Level 3 fair value (continued)

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<p>The cost method considers the summation of the value components of the land and cost of building. The value components of land are estimated based on location, plot size, accessibility and other relevant factors. The cost of building is determined based on current estimates of size, reconstruction cost less depreciation or replacement cost less depreciation, obsolescence and existing physical condition of the building. The reconstruction or replacement cost of building is derived from estimates or current market prices for materials, labour and present construction techniques.</p> <p>Valuation under this method may be significantly affected by the location of the property and the market prices for materials and labour.</p>	<ul style="list-style-type: none"> Land value in 2022 was RM315.00 per sq. ft. Replacement cost in 2022 was RM224 per sq. ft. Depreciation rates in 2022 was 27%. 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> Land value per square foot was higher (lower). Replacement cost per square foot was higher (lower). Depreciation rates were lower (higher).
<p>The discounted cash flow method incorporates the estimation of future annual cash flows over an investment horizon (5 years) from the valuation date by reference to expected revenue growth rates, operating expenses and terminal value. The present value of future cash flow is then determined by the application of an appropriate discount rate to derive a net present value of the property as at the valuation date. It is assumed that the property is sold at the commencement of the terminal year of the cash flow at the expected rate of return of similar asset classes.</p>	<ul style="list-style-type: none"> Risk-adjusted capitalisation rate in 2022 was 6.75%. Risk-adjusted discount rate in 2022 was 7.00%. 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> Risk-adjusted capitalisation rates were lower (higher). Risk-adjusted discount rates were lower (higher).

Notes to the Financial Statements

4. Investment properties (continued)

4.2 Fair value information (continued)

Valuation process applied by AmanahRaya REIT for Level 3 fair value

The fair values of investment properties are determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. In relying on the valuation reports, the Manager has exercised its judgment and is satisfied that the valuation methods and estimates are reflective of current market conditions.

Highest and best use

AmanahRaya REIT's current use of the properties on its own are the highest and best use as there are no other factors to suggest that a different use would maximise the value of the properties.

4.3 Material accounting policy information

Investment properties are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

External, independent valuation firms, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, performed valuation for AmanahRaya REIT's investment properties portfolio every year.

Notes to the Financial Statements

5. Trade and other receivables

		2023	2022
	Note	RM	RM
Current			
Trade			
Trade receivables	5.1	1,519,176	1,074,230
Non-trade			
Other receivables		916,314	1,688,741
Deposits		2,486,436	2,480,391
Prepayment		151,704	228,306
		3,554,454	4,397,438
		5,073,630	5,471,668

5.1 Trade receivables

Trade receivables are non-interest bearing and the normal credit terms granted by AmanahRaya REIT ranged from 7 days to 30 days (2021: 7 days to 30 days).

6. Security deposits in trust accounts

		2023	2022
	Note	RM	RM
Security deposits placed with ITA-ARB	6.1	9,683,565	9,452,200

6.1 Security deposits placed with ITA-ARB

Security deposits received from the lessees together with its accrued interest are placed with the Institutional Trust Account of Amanah Raya Berhad ("ITA-ARB"). The interest rate of the security deposits placed with ITA-ARB is 2.50% (2022: 2.50%) per annum. Pursuant to the lease agreements, the lessees are entitled to the interest earned from the security deposits placed with ITA-ARB (see Note 11.1).

Subsequent to the financial year end, the security deposit placed with ITA-ARB was withdrawn and refunded to the lessee upon completion of the sale of Holiday Villa Langkawi, as disclosed in notes 8, 11 and 23 to the financial statements.

AmanahRaya REIT has the right to deduct from the security deposits in the event of arrears in rental payment or early termination by the lessees.

Notes to the Financial Statements

7. Cash and cash equivalents

		2023	2022
	Note	RM	RM
Cash and bank balances		16,936,661	7,069,563
Deposits placed with licensed financial institutions	7.1	-	25,000,000
		16,936,661	32,069,563

7.1 Deposits placed with licensed financial institutions

The deposits are placed with licensed financial institutions at interest rates of 3.00% per annum.

8. Asset classified as held for sale

	2023	2022
	RM	RM
Land and buildings	125,000,000	125,000,000

On 28 September 2022, AmanahRaya REIT received an offer from a prospective buyer and has agreed to sell Holiday Villa Langkawi and Ex-Holiday Villa Alor Setar at an expected consideration of RM125,000,000. Accordingly, these two properties were classified as held for sale as of 31 December 2022.

On 28 June 2023, a Sale and Purchase Agreement was entered into for the disposal of Holiday Villa Langkawi for a net purchase consideration of RM100,000,000.

Holiday Villa Langkawi was charged to a financial institution and pursuant to the sale, an amount of RM70,000,000 of the unrated medium term notes was redeemed, as disclosed in note 10.2 to the financial statements. The disposal of Holiday Villa Langkawi was completed on 1 January 2024.

For Holiday Villa Alor Setar, the Manager is having discussions with the aforementioned prospective buyer with an aim to enter into a formal Sale and Purchase Agreement at the earlier negotiated consideration of RM25,000,000.

Notes to the Financial Statements

9. Total unitholders' funds

9.1 Unitholders' capital

	Number of units		Number of units	
	2023	2023	2022	2022
	RM		RM	
Issued and fully paid units with no par value classified as equity instruments	573,219,858	519,685,915	573,219,858	519,685,915

9.2 Unitholdings of related parties

As at 31 December 2023, the Manager and Directors of the Manager did not hold any units in AmanahRaya REIT. However, the holding company of the Manager and its related parties held units in AmanahRaya REIT as follows:

	Number of units held	Percentage of total units	Market value
		%	
Direct unitholdings of the holding company of the Manager and its related parties			
2023			
Amanah Raya Berhad - KWB	261,186,379	45.56	103,168,620
KDA Capital Malaysia Sdn. Bhd.	85,982,979	15.00	33,963,277
AmanahRaya Capital Sdn. Bhd.	2,032,600	0.35	802,877
	349,201,958	60.91	137,934,774
2022			
Amanah Raya Berhad - KWB	271,186,379	47.31	159,999,964
KDA Capital Malaysia Sdn. Bhd.	85,982,979	15.00	50,729,958
AmanahRaya Capital Sdn. Bhd.	2,032,600	0.35	1,199,234
	359,201,958	62.66	211,929,156

The market value is determined by using the closing market price of AmanahRaya REIT as of 31 December 2023 of RM0.395 (2022: RM0.59) per unit.

Notes to the Financial Statements

10. Borrowings

	Note	2023 RM	2022 RM
Non-current			
Term loan III (Secured)	10.1	9,920,000	-
		9,920,000	-
Less: Unamortised transaction costs		(25,439)	-
		9,894,561	-
Unrated medium term notes I (Secured)	10.2	380,000,000	450,000,000
Less: Unamortised transaction costs		(379,387)	(577,329)
		379,620,613	449,422,671
Unrated medium term notes II (Secured)	10.2	161,000,000	161,000,000
Less: Unamortised transaction costs		(87,209)	(167,708)
		160,912,791	160,832,292
		550,427,965	610,254,963
Current			
Term loan III (Secured)	10.1	8,000,000	25,920,000
		8,000,000	25,920,000
Less: Unamortised transaction costs		-	(38,160)
		8,000,000	25,881,840
		558,427,965	636,136,803

The borrowings are secured by way of first legal charge on investment properties and on an asset classified as held for sale amounting to RM1,061,250,000 (2022: RM1,065,040,000), as disclosed in Note 4 and Note 8 to the financial statements.

Borrowing costs are payable in arrears on a monthly basis.

Notes to the Financial Statements

10. Borrowings (continued)

Reconciliation of movement of liabilities to cash flows arising from financing activities

	At 1 January 2022	Net changes from financing cash flows	At 31 December 2022	Net changes from financing cash flows	Other changes	At 31 December 2023
	RM	RM	RM	RM	RM	RM
Term loans	25,920,000	-	25,920,000	(8,000,000)	-	17,920,000
Unrated medium term notes	611,000,000	-	611,000,000	-	(70,000,000)	541,000,000
Total liabilities from financing activities	636,920,000	-	636,920,000	(8,000,000)	(70,000,000)	558,920,000

Note 10.2

10.1 Term loan III

Term loan III bears interest rate at Cost of funds ("CoF") plus 0.5% (2022: CoF plus 0.5%) per annum and a principal of RM8 million is repayable annually and will expire on 22 December 2025.

According to the terms of the supplemental agreement dated 21 December 2021 in respect of Term loan III, AmanahRaya REIT is to submit a valuation report conducted by the lender's panel valuer on the property on which the loan is secured, reflecting a current market value of not less than RM43.6 million by 28 February 2022. However, the valuation report submitted by AmanahRaya REIT reflected a current market value of RM42.0million for the property. Consequently, the entire loan of RM25,920,000 million has been reclassified as current liability as at 31 December 2022.

On 20 February 2023, AmanahRaya REIT received a confirmation from the lender stating that it has no objection to accepting the valuation report with a lower market value of RM42.0 million for the property.

In light of the confirmation from the lender, as of 31 December 2023, the term loan amounting to RM8,000,000 which is due within the next 12 months is classified as current liability, while the remaining RM9,894,561 which is due in 2025 is classified as non-current liability.

10.2 Medium term notes of RM950 million

On 29 November 2017, the Securities Commission Malaysia approved and authorised the establishment of a proposed medium term notes ("MTNs") programme of RM950 million in nominal value ("MTN Programme") to be undertaken by AmanahRaya REIT MTN 1 Sdn. Bhd. ("Issuer"), a company wholly-owned by AmanahRaya REIT. The MTN Programme has a tenure of 15 years from the date of the first issuance of MTNs.

Pursuant to the sale of Holiday Villa Langkawi (see note 8), RM70,000,000 of the MTNs have been redeemed in December 2023, with the redemption amount being paid directly by the purchaser of Holiday Villa Langkawi.

As at 31 December 2023, the MTNs issued amounted to RM541 million (2022: RM611 million) and have a floating coupon rate based on CoF plus 0.5% (2022: CoF plus 0.5%) per annum. The MTNs mature in 2025.

Notes to the Financial Statements

11. Trade and other payables

	Note	2023 RM	2022 RM
Non-current			
Non-trade			
Tenants' deposits	11.1	1,698,471	11,239,294
Current			
Trade			
Trade payable		1,504,300	286,801
Non-trade			
Tenants' deposits	11.1	21,265,859	11,032,096
Other payables and accrued expenses	11.2	6,655,498	4,096,274
Amount paid on behalf by a third party	11.3	70,000,000	-
		99,425,657	15,415,171
		101,124,128	26,654,465

11.1 Tenants' deposits

Included in tenants' deposits is a deposit of RM9,683,565 (2022: RM8,332,585) received from a lessee which is placed with ITA-ARB as disclosed in Note 6 to the financial statements.

Since the inception of AmanahRaya REIT, the Manager has received rental deposits from the following tenants by way of bank guarantee as follows:

Tenants	Property	Amount RM	Remarks
SEG International Berhad	SEGi College	1,085,499	Equivalent to six (6) months' rental
SEG International Berhad	SEGi University	14,355,000	Equivalent to one (1) year's rental
HELP University Sdn. Bhd.	Wisma Amanah Raya Berhad	1,406,337	Equivalent to three (3) months' rental
Total		16,846,836	

The bank guarantees are unconditional, irrevocable and payable to AmanahRaya REIT in the event of default on the lease agreement by the lessees.

Notes to the Financial Statements

11. Trade and other payables (continued)

11.2 Other payables and accrued expenses

Included in other payables and accrued expenses is an amount of RM545,369 (2022: RM523,076) owing to the Manager for management fees.

Also included in other payables and accrued expenses is interest payable of RM1,282,550 (2022: RM1,119,617) generated from security deposits placed with ITA-ARB as disclosed in Note 6 to the financial statements.

11.3 Amount paid on behalf by a third party

The amount paid on behalf by a third party relates to a payment of RM70,000,000 made by the buyer of Holiday Villa Langkawi to the subscriber of the MTNs for the purpose of redeeming the MTNs pursuant to the disposal of Holiday Villa Langkawi (see note 8 and note 10.2).

12. Deferred tax liabilities

12.1 Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
	RM	RM	RM	RM	RM	RM
Investment properties	-	-	(13,425,000)	(13,714,000)	(13,425,000)	(13,714,000)

Movement in temporary differences during the year:

	At 1.1.2022	Recognised in profit or loss (Note 14)	At 31.12.2022/ 1.1.2023	Recognised in profit or loss (Note 14)	At 31.12.2023
	RM	RM	RM	RM	RM
Investment properties	(10,783,000)	(2,931,000)	(13,714,000)	289,000	(13,425,000)

12.2 Material accounting policy information

Where investment properties are carried at their fair values, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Notes to the Financial Statements

12. Deferred tax liabilities (continued)

12.3 Significant judgement

In the assessment of provision of deferred tax assets and liabilities on the fair value gain or loss arising from investment properties, the Manager considers the business model and the objective of AmanahRaya REIT. No deferred tax assets or liabilities are recognised on leasehold properties because AmanahRaya REIT is expected to consume substantially all economic benefits through generation of rental income and this income will be subjected to income tax at prevailing rate. However, since AmanahRaya REIT intends to continue to distribute more than 90% of its total income (as defined in the Act), the expected tax rate levied will be zero.

13. Property operating expenses

	2023	2022
	RM	RM
Assessment and quit rent	4,806,366	3,956,943
Service contracts and maintenance	16,367,756	13,279,096
Property management fees	4,043,460	3,794,935
Insurance	695,019	629,101
	25,912,601	21,660,075

14. Tax expense

	2023	2022
	RM	RM
Deferred tax benefit/(expense)		
- Current year	289,000	(2,931,000)
Total tax benefit/(expense)	289,000	(2,931,000)

Notes to the Financial Statements

14. Tax expense (continued)

	2023	2022
	RM	RM
Reconciliation of tax expense		
Net income before taxation	4,750,890	15,231,552
Income tax using Malaysian tax rate at 24% (2022: 24%)	1,140,214	3,655,572
Non-deductible expenses	261,330	241,777
Effect of fair value loss on leasehold investment properties	227,743	2,089,152
Effect of income exempted from tax	(1,629,287)	(5,986,501)
Effect of changes in real property gains tax	289,000	(2,931,000)
Total tax benefit/(expense)	289,000	(2,931,000)

Pursuant to the amendment to Section 61A(1) of Income Tax Act, 1967 under the Finance Act, 2006, which was gazetted on 31 December 2006, where in the basis period for a year of assessment, 90% or more of the total income of a real estate investment trust or property trust fund is distributed to its unitholders, the total income of the real estate investment trust or property trust fund for that year of assessment shall be exempted from tax.

As AmanahRaya REIT has met the abovementioned threshold, its total income for the financial year is exempted from tax.

15. Earnings per unit

The earnings per unit before Manager's fee of 1.967 sen (2022 earnings per unit: 3.250 sen) is calculated by dividing the net income after taxation but before deduction of Manager's fees for the financial year of RM11,274,751 (2022: RM18,630,650) by the weighted average number of units in circulation during the financial year of 573,219,858 (2022: 573,219,858).

The earnings per unit after Manager's fee of 0.879 sen (2022 earnings per unit: 2.146 sen) is calculated based on the net income after taxation of RM5,039,890 (2022 net profit after taxation: RM12,300,552) for the financial year divided by the weighted average number of units in circulation during the financial year of 573,219,858 (2022: 573,219,858).

Notes to the Financial Statements

16. Distributions to unitholders

Distributions to unitholders are from the following sources:

	2023	2022
	RM	RM
Net realised rental income	72,276,227	77,719,320
Interest income	531,247	513,169
Other income	2,168,127	895,532
	74,975,601	79,128,021
Less: Expenses	(67,345,433)	(57,441,037)
Total income available for distribution	7,630,168	21,686,984
Less: Undistributed income	(763,017)	(2,168,608)
	6,867,151	19,518,376
Distribution per unit (sen)	1.198	3.405

17. Management expense ratio

	2023	2022
Management expense ratio ("MER") (%)	1.31	1.16

The calculation of the MER is based on the total expenses of AmanahRaya REIT incurred, including Manager's fees, Trustee's fees, audit fees, tax agent's fees and administrative expenses, to the average net asset value of AmanahRaya REIT for the financial year calculated on a daily basis.

Since the basis of calculating MER may vary among real estate investment trusts, comparison of MER of AmanahRaya REIT with other real estate investment trusts may not be an accurate comparison.

Notes to the Financial Statements

18. Financial instruments

18.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	2023		2022	
	Carrying amount	AC	Carrying amount	AC
	RM	RM	RM	RM
Financial assets				
Trade and other receivables, excluding prepayments	4,921,926	4,921,926	5,243,362	5,243,362
Security deposits in trust accounts	9,683,565	9,683,565	9,452,200	9,452,200
Cash and cash equivalents	16,936,661	16,936,661	32,069,563	32,069,563
	31,542,152	31,542,152	46,765,125	46,765,125
Financial liabilities				
Borrowings	558,427,965	558,427,965	636,136,803	636,136,803
Trade and other payables	31,124,128	31,124,128	26,654,465	26,654,465
	589,552,093	589,552,093	662,791,268	662,791,268

18.2 Net losses arising from financial instruments

	2023	2022
	RM	RM
Net losses on:		
Financial assets at amortised cost	531,247	(131,458)
Financial liabilities at amortised cost	(31,724,922)	(26,206,023)

18.3 Financial risk management

AmanahRaya REIT has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Notes to the Financial Statements

18. Financial instruments (continued)

18.4 Credit risk

Credit risk is the risk of a financial loss to AmanahRaya REIT if a tenant or counterparty to a financial instrument fails to meet its contractual obligations. AmanahRaya REIT's exposure to credit risk arises principally from its receivables from tenants. AmanahRaya REIT performs ongoing credit evaluation of its tenants and generally does not require collateral other than tenants' deposits or bank guarantees. There are no significant changes as compared to prior periods.

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At each reporting date, AmanahRaya REIT assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when AmanahRaya REIT determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposures to credit risk arising from receivables are represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. AmanahRaya REIT uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

The exposure of credit risk for trade receivables as at the end of the reporting period amounts to RM1,519,167 (2022: RM1,074,230) and are secured by tenants' deposits.

Notes to the Financial Statements

18. Financial instruments (continued)

18.4 Credit risk (continued)

Concentration of credit risk

The exposure of credit risk for top 3 trade receivables as at the end of the reporting period by tenants were:

	2023
	RM
Tenant E	204,246
Tenant C	88,427
Tenant D	68,450
	361,123
	2022
	RM
Tenant A	408,814
Tenant B	348,227
Tenant E	204,246
	961,287

Notes to the Financial Statements

18. Financial instruments (continued)

18.4 Credit risk (continued)

Recognition and measurement of impairment loss

AmanahRaya REIT assesses the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. AmanahRaya REIT maintains an ageing analysis in respect of trade receivables only. The ageing of trade receivables as at the end of the reporting period was:

	Gross RM	Loss allowances RM	Net RM
2023			
Past due 1 - 30 days	315,245	-	315,245
Past due 31 - 60 days	49,148	-	49,148
Past due 61 - 90 days	127,587	-	315,245
Credit impaired			
Past due more than 90 days	1,027,187	-	1,027,187
Individually impaired	2,254,455	(2,254,455)	-
	3,773,622	(2,254,455)	1,519,167
2022			
Past due 1 - 30 days	936,204	(202,471)	733,733
Past due 31 - 60 days	767,453	(604,402)	163,051
Past due 61 - 90 days	307,961	(130,515)	177,446
Credit impaired			
Past due more than 90 days	2,147,707	(2,147,707)	-
Individually impaired	1,603,807	(1,603,807)	-
	5,763,132	(4,688,902)	1,074,230

Notes to the Financial Statements

18. Financial instruments (continued)

18.4 Credit risk (continued)

Recognition and measurement of impairment loss (continued)

The movement in the allowance for impairment in respect of trade receivables during the year are shown below:

	Credit impaired RM
Balance as at 31 December 2021/1 January 2022	4,230,125
Amounts written off	(185,850)
Net remeasurement of loss allowances	644,627
Balance as at 31 December 2022/1 January 2023	4,688,902
Amounts written off	(2,434,447)
Net remeasurement of loss allowances	-
Balance as at 31 December 2023	2,254,455

18.5 Liquidity risk

Liquidity risk is the risk that AmanahRaya REIT will not be able to meet its financial obligations as they fall due. AmanahRaya REIT's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Manager monitors and maintains a level of cash and cash equivalents and bank facilities deemed adequate to finance AmanahRaya REIT's operations, to distribute income to unitholders, and to mitigate the effects of fluctuations in cash flows. In addition, the Manager also monitors and observes the Securities Commission's Guidelines on Listed Real Estate Investment Trusts concerning limits on total borrowing (see Note 19).

Notes to the Financial Statements

18. Financial instruments (continued)

18.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of AmanahRaya REIT's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount	Contractual interest rate	Contractual cash flows	Less than 1 year	1 - 5 years	More than 5 years
	RM	%	RM	RM	RM	RM
2023						
Financial liabilities						
Trade and other payables	31,124,128	-	31,124,128	17,844,363	13,279,765	-
Borrowings	558,427,965	3.68 - 5.15	581,060,075	408,192,342	172,867,733	-
	<u>589,552,093</u>		<u>612,184,203</u>	<u>426,036,705</u>	<u>186,147,498</u>	<u>-</u>
2022						
Financial liabilities						
Trade and other payables	26,654,465	-	26,654,465	15,415,171	10,798,477	440,817
Borrowings	636,136,803	3.68 - 4.05	683,116,483	49,217,311	633,899,172	-
	<u>662,791,268</u>		<u>709,770,948</u>	<u>64,632,482</u>	<u>644,697,649</u>	<u>440,817</u>

18.6 Market risk

Market risk is the risk that changes in market prices such as interest rates will affect AmanahRaya REIT's financial position or cash flows.

Notes to the Financial Statements

18. Financial instruments (continued)

18.6 Market risk (continued)

Interest rate risk

Exposure to interest rate risk

The interest rate profile of AmanahRaya REIT's significant interest-bearing financial instruments, based on carrying amounts as at the end of the financial year was:

	2023	2022
	RM	RM
Financial asset		
<i>Fixed rate instruments</i>		
Security deposits in trust accounts	9,683,565	9,452,200
Deposits placed with licensed financial institutions	-	25,000,000
	9,683,565	34,452,200
Financial liabilities		
<i>Floating rate instruments</i>		
Borrowings	558,427,965	636,136,803

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis

AmanahRaya REIT does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss, and AmanahRaya REIT does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rate at the end of the reporting period would not affect profit or loss.

Notes to the Financial Statements

18. Financial instruments (continued)

18.6 Market risk (continued)

Interest rate risk (continued)

Interest rate risk sensitivity analysis (continued)

(b) Cash flow sensitivity analysis

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/ (decreased) unitholders' funds and pre-tax profit or loss by the amounts shown below.

	Profit/(Loss)	
	100 bp increase	100 bp decrease
	RM	RM
2023		
Floating rate instruments	(5,584,280)	5,584,280
2022		
Floating rate instruments	(6,361,368)	6,361,368

Notes to the Financial Statements

18. Financial instruments (continued)

18.7 Fair value information

The carrying amounts of cash and cash equivalents, trade and other receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts as shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total		Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Total		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
2023											
Financial liabilities											
Borrowings	-	-	-	-	-	-	558,427,965	558,427,965	558,427,965	558,427,965	
Tenants' deposits	-	-	-	-	-	-	22,964,330	22,964,330	22,964,330	22,964,330	
	-	-	-	-	-	-	581,392,295	581,392,295	581,392,295	581,392,295	
2022											
Financial liabilities											
Borrowings	-	-	-	-	-	-	636,136,803	636,136,803	636,136,803	636,136,803	
Tenants' deposits	-	-	-	-	-	-	22,271,390	22,271,390	22,271,390	22,271,390	
	-	-	-	-	-	-	658,408,193	658,408,193	658,408,193	658,408,193	

The following table shows the valuation techniques used in the determination of fair values within Level 3.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Tenants' deposits	Discounted cash flows using interest rate placed with ITA-ARB at 2.50% (2022: 2.50%) per annum.
Borrowings	Discounting cash flows using market interest rate on similar instruments.

Notes to the Financial Statements

19. Capital management

The primary objective of the Manager is to ensure that AmanahRaya REIT would be able to continue as a going concern while maximising the returns to unitholders through a balance between issuance of new units and loan financing. The overall strategy of the Manager remains unchanged during the financial year ended 31 December 2023.

The Manager manages the capital structure of AmanahRaya REIT and makes adjustments to it, in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Manager may adjust the income distribution to unitholders or issue new units. No changes were made to the objectives, policies or processes during the financial year ended 31 December 2023.

The Manager also complies with the provisions of the Trust Deed and all applicable rules and guidelines prescribed by the Securities Commission relating to the financing of AmanahRaya REIT.

The Manager monitors capital using a borrowings ratio, which is total borrowings divided by total assets of AmanahRaya REIT pursuant to the Securities Commission's Guidelines on Listed Real Estate Investment Trusts.

	2023	2022
	RM	RM
Total borrowings	558,427,965	636,136,803
Total assets	1,398,943,856	1,412,293,431
Borrowings ratio	39.92%	45.04%

20. Operating segments

As the principal activity of AmanahRaya REIT is to invest in properties which are all located in Malaysia with the primary objective to derive rental income, there are no risk and returns distinguishable between business and geographical segments. No operating segment reporting is therefore presented.

21. Related parties

For the purposes of these financial statements, parties are considered to be related to AmanahRaya REIT if AmanahRaya REIT has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where AmanahRaya REIT and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of AmanahRaya REIT either directly or indirectly. The key management personnel include all the Directors of the Manager and the Trustee and certain members of senior management of the Manager and the Trustee.

AmanahRaya REIT has related party relationship with the Manager, the holding company of the Manager, significant investors, and key management personnel.

Notes to the Financial Statements

21. Related parties (continued)

Significant related party transactions

Related party transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

	2023	2022
	RM	RM
Security deposits from lessees placed with the holding company of the Manager	9,683,565	9,452,200
Manager's fees	6,234,861	6,330,098

The related party transactions described above were entered into in the normal course of business and are based on negotiated and mutually agreed terms. The balances related to the above transactions are shown in Notes 6 and 11.

22. Capital expenditure commitments

	2023	2022
	RM	RM
Investment properties		
Contracted but not provided for	13,432,475	19,190,200

23. Events subsequent to the financial year end

On 1 January 2024, AmanahRaya REIT completed the disposal of Holiday Villa Langkawi which was held for sale as at 31 December 2023, as disclosed in Note 8 to the financial statements. The purchase consideration net of transaction costs was RM100,000,000, which was the same as its carrying amount as at 31 December 2023.

Unitholders Statistics

Top 30 Unitholders as of 31 December 2023

TOTAL UNITS IN CIRCULATION: 573,219,858

Ranking	Unitholders	No. of Units	% of Total Issued Units
1	AMANAH RAYA BERHAD (KUMPULAN WANG BERSAMA)	261,186,379	45.56%
2	UOBM NOMINEES (TEMPATAN) SDN. BHD. KDA CAPITAL MALAYSIA SDN. BHD.	85,982,979	15.00%
3	PERBADANAN KEMAJUAN NEGERI SELANGOR	32,360,000	5.65%
4	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	9,521,700	1.66%
5	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. MCIS INSURANCE BERHAD (LIFE PAR FD)	2,907,900	0.51%
6	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	2,361,000	0.41%
7	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR RAM HOLDINGS BERHAD (PB)	2,339,700	0.41%
8	AMANAH RAYA BERHAD AMANAH RAYA CAPITAL SDN. BHD.	2,032,600	0.35%
9	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. MCIS INSURANCE BERHAD (ANN FD)	1,910,200	0.33%
10	LOH KOK WAI	1,642,700	0.29%
11	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG SIEW HUNG	1,459,900	0.25%
12	YEO ENG SENG	1,214,400	0.21%
13	NG KIM YUEN	1,150,000	0.20%
14	ABDUL RAHIM BIN BIDIN	1,140,000	0.20%
15	ON THIAM CHAI	1,100,000	0.19%
16	TEE KIAM HENG	1,100,000	0.19%
17	MALAYSIAN RATING CORPORATION BERHAD	1,095,000	0.19%
18	ANG SIEW SIANG	1,050,000	0.18%
19	TEW SOO CHIM	1,050,000	0.18%
20	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR PEE SIEW BOON (8057713)	1,030,000	0.18%
21	SEG EQUITY SDN. BHD.	1,000,000	0.17%
22	STATE INSURANCE BROKERS SDN. BHD.	1,000,000	0.17%
23	CHAN WAI CHON	900,000	0.16%
24	YEOW EWE CHUAN	880,900	0.15%
25	BOH PLANTATIONS SDN. BHD.	880,600	0.15%
26	LIAN MONG YEE @ LIAN MUNG YEE	810,600	0.14%
27	LAU BAN YIN	800,000	0.14%
28	CHAN CHOR YOOK	780,000	0.14%
29	BOH PLANTATIONS SDN. BHD.	750,300	0.13%
30	CHUAH HOCK SENG @ CHUAH TEONG KOK	750,000	0.13%
TOTAL		422,186,858	73.65%

Analysis of Unitholdings

DISTRIBUTION OF UNITHOLDERS AS AT 31.12.2023

Size of Holdings	No. of Unitholders	%	No. of REIT	%
1 - 99	38	0.65	655	0.00
100 - 1,000	960	16.33	623,100	0.11
1,001 - 10,000	2,672	45.45	14,535,945	2.54
10,001 - 100,000	1,865	31.72	63,129,700	11.01
100,001 - 28,660,992 (*)	341	5.80	115,401,100	20.13
28,660,993 and Above (**)	3	0.05	379,529,358	66.21
Directors' Holding	-	0.00	-	0.00
Total	5,879	100.00	573,219,858	100.00

Remark :

* Less than 5% of issued REIT

** 5% and above of issued REIT

CATEGORY OF UNITHOLDERS AS AT 31.12.2023

Category	No. of Unitholders			No. of Holdings		
	Malaysian		Foreign	Malaysian		Foreign
	Bumiputra	Non-Bumiputra		Bumiputra	Non-Bumiputra	
1) Individual	156	4,004	49	3,073,500	121,496,189	1,380,100
2) Body Corporate						
a. Banks/Finance Companies	2	0	0	263,218,979	0	0
b. Investment Trust/ Foundation/Charities	2	3	0	115,000	310,400	0
c. Industrial and Commercial Companies	3	54	1	658,500	8,891,900	40,000
3) Government Agencies/ Institutions	0	0	0	0	0	0
4) Nominees	1,189	374	41	55,849,600	113,602,279	4,583,400
5) Others	0	1	0	0	11	0
Total	1,352	4,436	91	322,915,579	244,300,779	6,003,500

Additional Disclosure

ADDITIONAL INFORMATION PURSUANT TO LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

There were no proceeds received during the current financial year.

2. SHARE BUY-BACKS DURING THE FINANCIAL YEAR

AmanahRaya REIT did not carry out any share buy-backs exercise during the financial year ended 31 December 2023.

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES EXERCISED

AmanahRaya REIT did not issue any warrants or convertible securities for the financial year ended 31 December 2023.

4. AMERICAN DEPOSITORY RECEIPTS ("ADR")/GLOBAL DEPOSITORY RECEIPT ("GDR")

AmanahRaya REIT has not sponsored any ADR/GDR programme during the financial year ended 31 December 2023.

5. PROFIT GUARANTEES

There were no profit guarantees given by the Manager during the financial year ended 31 December 2023.

Notice of Twelfth Annual General Meeting

NOTICE IS GIVEN THAT the Twelfth Annual General Meeting ("12th AGM") of AmanahRaya Real Estate Investment Trust ("AmanahRaya REIT") will be convened and held on a virtual basis through live streaming and online remote voting from the broadcast venue, First Floor, Wisma AmanahRaya, No 2, Jalan Ampang, 50508 Kuala Lumpur on Thursday, 18 April 2024 at 10.00 a.m. to consider the following businesses:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 of AmanahRaya REIT together with the Reports of the Directors and Auditors thereon. Please refer to Explanatory Note 1

AS SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modification, the following Ordinary Resolution:-

2. **PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW UNITS PURSUANT TO PARAGRAPH 6.59 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("PROPOSED RENEWAL OF AUTHORITY")** Please refer to Explanatory Note 2

"THAT pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and subject to the approvals from the relevant regulatory authorities, where such approval is required, the Directors of AmanahRaya-Kenedix REIT Manager Sdn. Bhd., the Manager of AmanahRaya REIT ("the Manager"), be and are hereby authorised to allot and issue new units in AmanahRaya REIT ("New Units") at any time to any such persons, and upon such terms and conditions as the Directors of the Manager may in their absolute discretion, deem fit and in the best interest of AmanahRaya REIT, provided that the aggregate number of the New Units to be allotted and issued pursuant to this resolution, when the aggregated number of units issued during the preceding twelve (12) months, does not exceed 20% of the issued fund size of AmanahRaya REIT.

THAT such authority shall continue to be in force until:-

- i. the conclusion of the next Annual General Meeting ("AGM") of AmanahRaya REIT at which time it shall lapse, unless by a resolution passed at the meeting, the authority is renewed;
- ii. the expiration of the period within which the next AGM of the Unitholders is required by law to be held; or
- iii. the Proposed Renewal of Authority is revoked or varied by the Unitholders in a Unitholders' meeting.

whichever is the earliest;

THAT such New Units to be issued pursuant to the Proposed Renewal of Authority shall, upon allotment and issuance, rank equally in all respects with the existing Units except that the New Units will not be entitled to any distributable income, right, benefit, entitlement and/or any other distributions that may be declared, made or paid before the date of allotment and issuance of the New Units;

Notice of Twelfth Annual General Meeting

AND THAT authority be and is hereby given to the Directors of the Manager and Pacific Trustees Berhad ("the Trustee") (acting for and on behalf of AmanahRaya REIT), to give effect to the Proposed Renewal of Authority with full power to assent to any conditions, variations, modifications, arrangements and/or amendments in relation to the Proposed Renewal of Authority as they may deem fit in the best interests of the Unitholders and/or as may be imposed by the relevant authorities;

AND FURTHER THAT the Directors of the Manager and the Trustee (acting for and on behalf of AmanahRaya REIT) to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Renewal of Authority."

AS SPECIAL RESOLUTION

To consider and if thought fit, to pass, with or without modification, the following Special Resolutions:-

SPECIAL RESOLUTION 1

3. PROPOSED ESTABLISHMENT OF ACQUISITION FEE, DIVESTMENT FEE AND PERFORMANCE FEE

"THAT the establishment of the following fees by the Trustee for AmanahRaya REIT payable to Manager be and are hereby approved:-

- a) Acquisition Fee of up to 1.0% of the acquisition price of the assets to be acquired or purchased by the Trustee for AmanahRaya REIT;
- b) Divestment Fee of up to 0.5% of the sale price of the assets to be disposed by the Trustee for AmanahRaya REIT; and
- c) Performance Fee of up to 3.0% of the Net Property Income before deduction of property management fee.

AND THAT the Directors of the Manager and the Trustee be and are hereby authorised to take steps and to enter into all such agreements, arrangements, undertakings, indemnities, transfers, assignments, deeds and/or guarantees with any party or parties and to carry out any other matters as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Establishment of Acquisition Fee, Divestment Fee and Performance Fee."

SPECIAL RESOLUTION 2

4. PROPOSED AMENDMENTS TO THE AMENDED AND RESTATED TRUST DEED

"THAT the amendments to the Amended and Restated Deed constituting the AmanahRaya Real Estate Investment Trust dated 5 December 2019 and Supplemental Trust Deed dated 13 May 2019 entered into between the Manager and Trustee constituting AmanahRaya REIT ("Deed") to reflect the changes resulting from the Proposed Establishment of Acquisition Fee, Divestment Fee and Performance Fee as well as administrative amendments made to the Deed in accordance with applicable laws, regulations and guidelines are hereby approved;

Notice of Twelfth Annual General Meeting

AND THAT the Directors of the Manager and Trustee be and are hereby authorised to carry out all the necessary formalities in effecting the Proposed Amendments.”

AS OTHER BUSINESS

5. To transact any other business for which due notice shall have been given in accordance with the Deed of Trust constituting AmanahRaya REIT.

By Order of the Board

AMANAHRAYA-KENEDIX REIT MANAGER SDN. BHD.

REGISTRATION NO. 200901013113 (856167-A)

Management Company of AmanahRaya REIT

Jerry Jesudian a/l Joseph Alexander (MAICSA 7019735) (SSM PC No. 201908003018)

Rizana Binti Ahmad Rithauddeen (f) (LS 0009663) (SSM PC No. 20191224000019)

Leong Shiak Wan (f) (MAICSA 7012855) (SSM PC No. 202008002757)

Company Secretaries

Kuala Lumpur

22 March 2024

NOTES:

1. Mode of Meeting

The Twelfth Annual General Meeting (“12th AGM”) of AmanahRaya REIT will be conducted on a virtual basis through live streaming and online remote voting by Unitholders via the Remove Participation and Voting (“RPV”) Platform at <https://meeting.boardroomlimited.my>. Please follow the steps and procedures provided in the Administrative Notes for the 12th AGM of AmanahRaya REIT in order to register, participate and vote remotely via the RPV Platform. The primary mode of communication by Unitholders for the 12th AGM is via text messaging facilities provided under the RPV Platform. In the event of any technical glitch in the primary mode of communication, all other reasonable modes of communication is acceptable for the 12th AGM.

2. Venue

The venue of the 12th AGM is the Online Meeting Platform which is located in Malaysia being the main venue and is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue. In a virtual general meeting, all meeting participants including the Chairman of the meeting, Board members, Senior Management and Unitholders are required to participate in the meeting online through the Online Meeting Platform only.

3. Voting

All resolutions in the Notice of the 12th AGM are to be conducted by poll voting as per Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) via the RPV Platform.

Notice of Twelfth Annual General Meeting

4. Proxy(ies)

- a) A Unitholder/Proxy/Corporate Representative of AmanahRaya REIT ("**Unitholders**") **WILL NOT BE ALLOWED** to attend the forthcoming 12th AGM in person at the broadcast venue on the day of the meeting.
- b) Unitholders are to participate, speak (in the form of real time submission of typed texts) and vote remotely at the 12th AGM using the Remote Participation and Voting ("**RPV**") facility provided by AmanahRaya REIT's Share Registrar. Please follow the procedures for RPV facility provided in the Administrative Guide for the 12th AGM at <http://amanahrayareit.com.my/investor-relations/>.
- c) A Unitholder shall be entitled to attend and vote at any meeting of Unitholders and shall be entitled to appoint up to two (2) persons, whether a Unitholder or not, as its proxy to attend and vote. As the 12th AGM will be conducted on a virtual basis, an individual Unitholder who is unable to attend and vote via the remote participation and electronic voting facilities at the AGM, can appoint the Chairman of the meeting as his/her proxy.
- d) Where a Unitholder is a corporation, its duly authorised representative shall be entitled to attend and vote at the meeting and shall be entitled to appoint up to two (2) persons (whether a Unitholder or not) as its proxy to attend and vote.
- e) Where a Unitholder appoints two (2) proxies, the appointment shall be invalid unless it specifies the proportions of its holdings to be represented by each proxy.
- f) If the Unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("**Authorised Nominee**"), it may appoint at least one (1) proxy (but not more than two (2)) in respect of each securities account it holds with units of AmanahRaya REIT standing to the credit of the said securities account.
- g) If the Unitholder is an exempt Authorised Nominee which holds Units for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
- h) Only a depositor whose name appears in the Record of Depositors of AmanahRaya REIT as at 5 April 2024 shall be regarded as a Unitholder and entitled to attend, speak and vote at this 12th AGM of AmanahRaya REIT or appoint proxy(ies) to attend and vote on his/her behalf.
- i) The Instrument of Proxy shall be in writing under the hand of the appointor or of its attorney duly authorised in writing or if the appointor is corporation, the Instrument of Proxy must be executed under the corporation's seal or under the hand of an officer or attorney duly authorised.
- j) To be valid, the original Instrument of Proxy duly completed and signed must be deposited with the Manager at **AmanahRaya-Kenedix REIT Manager Sdn. Bhd. at Level 46, Vista Tower, The Intermark, 348 Jalan Tun Razak, 50400 Kuala Lumpur** no later than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the Instrument of Proxy proposes to vote; in default of this provision, the Instrument of Proxy shall not be treated as valid.

5. Corporate Representatives

As an alternative to the appointment of a proxy, a corporate member may appoint its corporate representative to attend the 12th AGM pursuant to Section 333 of the Companies Act 2016. For this purpose and pursuant to Section 333(5) of the Companies Act 2016, the corporate member shall provide a certificate under its common seal as prima facie evidence of the appointment of the corporate representative.

Notice of Twelfth Annual General Meeting

EXPLANATORY NOTES:

(1) Ordinary Business

This Agenda is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act 2016 and the Company's Constitution, the Audited Financial Statements ("the Accounts"), need not be approved by the Unitholders and hence, the matter will not be put forward for voting. It is also in accordance with Paragraph 13.18(b) of Guidelines on Listed Real Estate Investment Trust issued by the Securities Commission Malaysia.

The Accounts of AmanahRaya REIT are contained in the 2023 Annual Report of AmanahRaya REIT issued to all Unitholders of AmanahRaya REIT on 22 March 2024 pursuant to Paragraph 9.45(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

If any Unitholder does not have a copy of the 2023 Annual Report, you may download from the corporate website of AmanahRaya REIT at <http://www.amanahrayareit.com.my> or request via telephone requisition at +603-2380 0606 from the principal place of business of the Manager.

(2) Special Business

Subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, if passed, the proposed Ordinary Resolution is for the purpose of granting a renewal mandate and would enable the Manager to issue up to a maximum of 20% of units of AmanahRaya REIT as at the date of such issuance ("Renewed Mandate"). The Renewed Mandate, unless revoked or varied at a unitholder's meeting, will expire at the conclusion of the next AGM of AmanahRaya REIT.

The Renewed Mandate will enable the Manager to take swift action in case of a need for fund raising exercises including but not limited to further placement of units for purpose of funding current and/or future investment projects, working capital and/or acquisitions of investment assets.

I/We
(Full Name as per NRIC/Passport/Certificate of Incorporation in Capital Letters)

NRIC No./Passport No./Registration No.
of
(Full Address)

being a Unitholder of **AMANAHRAYA REAL ESTATE INVESTMENT TRUST**, do hereby appoint the following:

Full Name (In block letters):	MyKad/Passport No.:	Proportion of Unitholdings	
		No. of Units	Percentage (%)
Address:			
Email address:	Contact No.:		

*OR failing him/her/AND,

Full Name (In block letters):	MyKad/Passport No.:	Proportion of Unitholdings	
		No. of Units	Percentage (%)
Address:			
Email address:	Contact No.:		

or failing *him/her, the CHAIRMAN OF THE MEETING, as *my/our proxy, to vote for *me/us and on *my/our behalf at the Twelfth Annual General Meeting of AmanahRaya REIT to be held on a virtual basis at the broadcast venue, First Floor, Wisma AmanahRaya, No. 2, Jalan Ampang, 50508 Kuala Lumpur on Thursday, 18 April 2024 at 10.00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the space provided below how you wish your vote to be casted. If no specific direction is given, the proxy will vote or abstain from voting at his/her discretion.

RESOLUTIONS		FOR	AGAINST
SPECIAL BUSINESS ORDINARY RESOLUTION	Proposed Renewal of Authority		
SPECIAL RESOLUTION 1	Proposed Establishment of Acquisition Fee, Divestment Fee and Performance Fee		
SPECIAL RESOLUTION 2	Proposed Amendments to the amended and restated Trust Deed		

CDS Account No	
Total number of units held	

Dated this day of 2024

(*Delete if not applicable)

.....
Signature/Common Seal of Unitholder(s)

Fold this flap for sealing

NOTES:

- (1) A Unitholder/Proxy/Corporate Representative of AmanahRaya REIT ("Unitholders") **WILL NOT BE ALLOWED** to attend the forthcoming 12th AGM in person at the broadcast venue on the day of the meeting.
- (2) Unitholders are to participate, speak (in the form of real time submission of typed texts) and vote remotely at the 12th AGM using the Remote Participation and Voting ("RPV") facility provided by AmanahRaya REIT's Share Registrar. Please follow the procedures for RPV facility provided in the Administrative Guide for the 12th AGM at <http://amanahrayareit.com.my/investor-relations/>.
- (3) A Unitholder shall be entitled to attend and vote at any meeting of Unitholders and shall be entitled to appoint up to two (2) persons, whether a Unitholder or not, as its proxy to attend and vote. As the 12th AGM will be conducted on a virtual basis, an individual Unitholder who is unable to attend and vote via the remote participation and electronic voting facilities at the AGM, can appoint the Chairman of the meeting as his/her proxy.
- (4) Where a Unitholder is a corporation, its duly authorised representative shall be entitled to attend and vote at the meeting and shall be entitled to appoint up to two (2) persons (whether a Unitholder or not) as its proxy to attend and vote.
- (5) Where a Unitholder appoints two (2) proxies, the appointment shall be invalid unless it specifies the proportions of its holdings to be represented by each proxy.
- (6) If the Unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("Authorised Nominee"), it may appoint at least one (1) proxy (but not more than two (2)) in respect of each securities account it holds with units of AmanahRaya REIT standing to the credit of the said securities account.

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STAMP

AmanahRaya-Kenedix REIT Manager Sdn. Bhd.
Level 46, Vista Tower
The Intermark
348 Jalan Tun Razak
50400 Kuala Lumpur

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- (7) If the Unitholder is an exempt Authorised Nominee which holds Units for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
- (8) Only a depositor whose name appears in the Record of Depositors of AmanahRaya REIT as of 5 April 2024 shall be regarded as a Unitholder and entitled to attend, speak and vote at this 12th AGM of AmanahRaya REIT or appoint proxy(ies) to attend and vote on his/her behalf.
- (9) The Instrument of Proxy shall be in writing under the hand of the appointor or of its attorney duly authorised in writing or if the appointor is corporation, the Instrument of Proxy must be executed under the corporation's seal or under the hand of an officer or attorney duly authorised.
- (10) To be valid, the original Instrument of Proxy duly completed and signed must be deposited with the Manager at **AmanahRaya-Kenedix REIT Manager Sdn. Bhd. at Level 46, Vista Tower, The Intermark, 348 Jalan Tun Razak, 50400 Kuala Lumpur** no later than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the Instrument of Proxy proposes to vote; in default of this provision, the Instrument of Proxy shall not be treated as valid.

www.amanahrayareit.com.my

AmanahRaya-Kenedix REIT Manager Sdn. Bhd.
Company No. 200901013113 (856167-A)

(The Manager of AmanahRaya Real Estate Investment Trust)
Level 46, Vista Tower
The Intermark
348 Jalan Tun Razak
50400 Kuala Lumpur
Tel : 603 2380 0606