

AMANAHRAYA REAL ESTATE INVESTMENT TRUST  
INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2016

CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	As At End of Current Quarter (Unaudited) 31.12.2016 RM	As At End of Current Quarter (Audited) 31.12.2015 RM
<b>ASSETS</b>			
<b>Non-current asset</b>			
Investment properties	B8	986,400,000	884,820,000
		986,400,000	884,820,000
<b>Current assets</b>			
Trade and other receivables		7,834,506	3,560,712
Security deposits in Trust accounts and financial institution		23,830,594	35,964,840
Deposits placed with licensed financial institutions		20,061,280	98,953,770
Asset held for sale - investment properties	B8	-	78,000,000
Cash and bank balances		230,195	73,722
		51,956,575	216,553,044
<b>TOTAL ASSETS</b>		<b>1,038,356,575</b>	<b>1,101,373,044</b>
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Borrowings	B9	290,150,000	364,230,000
Trade and other payables	A14	18,602,714	29,966,565
		308,752,714	394,196,565
<b>Current liabilities</b>			
Borrowings	B9	25,000,000	-
Trade and other payables		10,377,039	16,997,832
Provision for income distributions	A8	8,165,094	8,638,801
		43,542,133	25,636,633
<b>TOTAL LIABILITIES</b>		<b>352,294,847</b>	<b>419,833,198</b>
<b>NET ASSET VALUE (NAV)</b>		<b>686,061,728</b>	<b>681,539,846</b>
<b>FINANCED BY:</b>			
<b>UNITHOLDERS' FUND</b>			
Unitholders' capital		519,685,915	519,685,915
Undistributed income ( <i>Note 1</i> )		166,375,813	161,853,931
<b>Total unitholders' fund</b>		<b>686,061,728</b>	<b>681,539,846</b>
<b>NUMBER OF UNITS IN CIRCULATIONS</b>		<b>573,219,858</b>	<b>573,219,858</b>
<b>NET ASSET VALUE (NAV) PER UNIT (RM):</b>			
- Before income distribution ( <i>Note 2</i> )		<b>1.1969</b>	<b>1.1890</b>
- After income distribution ( <i>Note 3</i> )		<b>1.1684</b>	<b>1.1558</b>

**Note 1:**

This includes net appreciation in fair values of investment properties of RM139,313,681, a surplus of appraised value over acquisition costs arising from the last valuation carried out in the previous financial years which are unrealised gains and are not available for income distribution, as well as balance of undistributed realised net income.

**Note 2:**

Being Net Asset Value before reflecting income distribution paid during the current period.

**Note 3:**

Being Net Asset Value after reflecting income distribution paid and provided during the current period.

(The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST  
INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2016

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 31.12.2016 RM	Restated Preceding Corresponding Quarter 31.12.2015 RM	Current Quarter 31.12.2016 RM	Restated Preceding Corresponding Quarter 31.12.2015 RM
<b>GROSS REVENUE</b>	<b>14,295,454</b>	<b>15,583,717</b>	<b>57,385,743</b>	<b>61,607,065</b>
<b>PROPERTY EXPENSES</b>				
Assessment	(152,888)	(318,516)	(648,458)	(1,315,716)
Quit rent	(27,636)	(19,043)	(91,049)	(145,655)
Other property operating expenses	(918,902)	1,048,942	(3,344,457)	(2,344,302)
<b>TOTAL PROPERTY EXPENSES</b>	<b>(1,099,427)</b>	<b>711,383</b>	<b>(4,083,964)</b>	<b>(3,805,673)</b>
Net rental income	13,196,028	16,295,100	53,301,779	57,801,392
Interest income	154,361	892,007	1,585,321	2,650,771
Other income	(14,180)	56,334	497,745	486,504
Changes in fair value of investment properties	5,207,986	23,059,600	5,207,986	23,059,600
<b>TOTAL TRUST INCOME</b>	<b>18,544,194</b>	<b>40,303,041</b>	<b>60,592,830</b>	<b>83,998,267</b>
<b>TRUST EXPENSES</b>				
Manager's fee	(1,338,194)	(1,249,616)	(5,075,147)	(4,950,464)
Trustee's fee	(93,897)	(91,638)	(367,940)	(363,034)
Administrative expenses	(88,817)	(65,166)	(355,879)	(332,893)
Valuation fee	(195,853)	(279,602)	(271,253)	(324,885)
Interest expenses	(3,106,072)	(4,548,720)	(13,255,382)	(17,159,294)
Other trust expense	(182,313)	(642,575)	(726,054)	(1,185,119)
<b>TOTAL TRUST EXPENSES</b>	<b>(5,005,145)</b>	<b>(6,877,317)</b>	<b>(20,051,655)</b>	<b>(24,315,689)</b>
<b>INCOME FOR THE FINANCIAL PERIOD</b>	<b>13,539,049</b>	<b>33,425,724</b>	<b>40,541,175</b>	<b>59,682,578</b>
Taxation	-	-	-	-
<b>INCOME AFTER TAXATION</b>	<b>13,539,049</b>	<b>33,425,724</b>	<b>40,541,175</b>	<b>59,682,578</b>
Unrealised gain from revaluation of properties	(5,207,986)	(23,059,600)	(5,207,986)	(23,059,600)
<b>REALISED INCOME AFTER TAX</b>	<b>8,331,063</b>	<b>10,366,124</b>	<b>35,333,189</b>	<b>36,622,978</b>
<b>DISTRIBUTION TO UNITHOLDERS(</b> <i>Note 1</i> <b>)</b>				
- from current period realised net income	(8,164,442)	(10,366,124)	(33,816,461)	(36,144,081)
- from previous period realised net income	-	-	-	-
	<b>(8,164,442)</b>	<b>(10,366,124)</b>	<b>(33,816,461)</b>	<b>(36,144,081)</b>
<b>REALISED INCOME RETAINED</b>	<b>166,621</b>	<b>-</b>	<b>1,516,728</b>	<b>478,897</b>
<b>UNREALISED INCOME RETAINED / (UTILISED)</b>	<b>5,207,986</b>	<b>23,059,600</b>	<b>5,207,986</b>	<b>23,059,600</b>

**Note 1:**

For the financial quarter ended 31 December 2016 the Manager proposes to distribute RM8,164,442 i.e.98% from current period's net realised income . The distribution amount will be reflected in the next quarter's report.

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST  
 INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2016

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Quarter 31.12.2016 RM	Preceding Corresponding Quarter 31.12.2015 RM	Current Year To-date 31.12.2016 RM	Preceding Corresponding Quarter 31.12.2015 RM
<b>Net income for the financial period is made up as follows:</b>					
- realised		8,331,063	10,366,124	35,333,189	36,622,978
- unrealised					
Changes in fair value of investment properties		5,207,986	23,059,600	5,207,986	23,059,600
		<b>13,539,049</b>	<b>33,425,724</b>	<b>40,541,175</b>	<b>59,682,578</b>
<b>EARNINGS PER UNIT (SEN) B16</b>					
- after manager fees (sen)		<b>2.3619</b>	<b>5.8312</b>	<b>7.0725</b>	<b>10.4118</b>
- before manager fees (sen)		<b>2.5954</b>	<b>6.0492</b>	<b>7.9579</b>	<b>11.2754</b>
<b>DISTRIBUTION PER UNIT (SEN) (Note 1) B17</b>					
- realised from current period		<b>1.4243</b>	<b>1.8084</b>	<b>5.8994</b>	<b>6.3054</b>
- realised from previous period		-	-	-	-
		<b>1.4243</b>	<b>1.8084</b>	<b>5.8994</b>	<b>6.3054</b>
<b>DISTRIBUTION PER UNIT (%) (Note 1) B17</b>					
- realised from current period		<b>98%</b>	<b>100%</b>	<b>96%</b>	<b>99%</b>
- realised from previous period		<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
		<b>98%</b>	<b>100%</b>	<b>96%</b>	<b>99%</b>

**Note 1:**

The Manager distributes at least 95% (or such other percentage as determined by the Manager in its absolute discretion) of the distributable income with effect from the Financial Year 2010.

For the financial quarter ended 31 December 2016, the Manager proposed to distribute 98% of the net realised income from the current period's realised income. The distribution amount will be reflected in the next quarter's report. The cumulative distribution per unit for financial year ended 31 December 2016 is 96%. The distribution per unit (sen) is calculated based on the total distribution made for the financial period over the number of units in circulation at the end of the financial period.

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the financial statements).

**AMANAHRAYA REAL ESTATE INVESTMENT TRUST**  
**INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE**  
**FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (UNAUDITED)**

	----- Distributable Income -----			Total RM
	Unitholder's Capital RM	Realised RM	Unrealised RM	
<b>At 1 January 2016</b>	519,685,915	19,810,650	142,043,281	681,539,845
<b>Operation for the financial period ended 31 December 2016</b>				
Total comprehensive income for the financial period	-	35,333,189	5,207,986	40,541,175
Realisation of distributable income from disposal of properties				
<i>Increase in net assets resulting from operations</i>	-	35,333,189	5,207,986	40,541,175
<b>Unitholders' transactions</b>				
Distribution to unitholders - 2015 final	-	(10,366,926)	-	(10,366,926)
Distribution to unitholders - Q1, 2016	-	(8,967,104)	-	(8,967,104)
Distribution to unitholders - Q2, 2016	-	(8,520,032)	-	(8,520,032)
Distribution to unitholders - Q3, 2016	-	(8,165,231)	-	(8,165,231)
<i>Increase in net assets resulting from unitholders' transactions</i>	-	(36,019,292)	-	(36,019,292)
<b>At 31 December 2016</b>	<b>519,685,915</b>	<b>19,124,547</b>	<b>147,251,266</b>	<b>686,061,728</b>

(The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST  
 INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2016

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE  
 FROM 1 JANUARY 2015 TO 31 DECEMBER 2015 (AUDITED)

	----- Distributable Income -----			Total RM
	Unitholder's Capital RM	Realised RM	Unrealised RM	
<b>At 1 January 2015</b>	519,685,915	17,443,583	120,821,699	657,951,197
<b>Operation for the financial period ended 31 December 2015</b>				
Total comprehensive income for the financial period	-	36,622,978	23,059,600	59,682,578
Realisation of unrealised income upon disposal of investment property	-	1,838,018	(1,838,018)	-
<i>Increase in net assets resulting from operations</i>	-	38,460,996	21,221,582	59,682,578
<b>Unitholders' transactions</b>				
Distribution to unitholders - 2014 final	-	(10,317,851)	-	(10,317,851)
Distribution to unitholders - Q1, 2015	-	(8,021,209)	-	(8,021,209)
Distribution to unitholders - Q2, 2015	-	(9,115,915)	-	(9,115,915)
Distribution to unitholders - Q3, 2015	-	(8,638,954)	-	(8,638,954)
<i>Increase in net assets resulting from unitholders' transactions</i>	-	(36,093,929)	-	(36,093,929)
<b>At 31 December 2015</b>	<b>519,685,915</b>	<b>19,810,650</b>	<b>142,043,281</b>	<b>681,539,846</b>

(The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the financial statements).

**AMANAHRAYA REAL ESTATE INVESTMENT TRUST**  
**INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

**CONDENSED STATEMENT OF CASH FLOW**

	<b>Current Year To-date 31.12.2016 RM</b>	<b>Preceding Year To-date 31.12.2015 RM</b>
<b>Cash Flows From Operating Activities</b>		
Income before taxation	40,541,175	59,682,578
Adjustment for:-		
Finance costs	13,255,382	17,159,294
Interest income	(1,585,321)	(2,650,771)
Change in the fair value of properties	(5,207,986)	(23,059,600)
Operating income before working capital changes	<u>47,003,250</u>	<u>51,131,501</u>
<b>Changes in working capital:-</b>		
Trade and other receivables	7,925,872	6,301,077
Trade and other payables	(68,539,402)	(9,672,933)
<b>Net cash from operating activities</b>	<b><u>(13,610,280)</u></b>	<b><u>47,759,645</u></b>
<b>Cash Flows From Investing Activities</b>		
Interest received	1,519,900	2,337,849
Proceeds from disposal of investment properties	78,000,000	34,000,000
Acquisition of investment property	(96,000,000)	-
Improvement of properties	(372,014)	(1,690,400)
<b>Net cash from investing activities</b>	<b><u>(16,852,114)</u></b>	<b><u>34,647,449</u></b>
<b>Cash Flows From Financing Activities</b>		
Distribution paid to unitholders		
- in respect of current financial year	(25,652,367)	(17,137,124)
- in respect of previous financial year	(10,366,926)	(10,317,810)
Interest paid	(12,254,331)	(15,637,672)
<b>Net cash (used in) financing activities</b>	<b><u>(48,273,623)</u></b>	<b><u>(43,092,606)</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>(78,736,017)</b>	<b>39,314,488</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>99,027,492</b>	<b>59,713,004</b>
<b>Cash and cash equivalents at end of financial period</b>	<b><u>20,291,475</u></b>	<b><u>99,027,492</u></b>
<b>Cash and cash equivalents comprise:-</b>		
Cash and bank balances	230,195	73,722
Deposits placed with licensed financial institutions	20,061,280	98,953,770
	<b><u>20,291,475</u></b>	<b><u>99,027,492</u></b>

(The Condensed Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the financial statements).

**AMANAHRAYA REAL ESTATE INVESTMENT TRUST**  
**QUARTERLY UNAUDITED FINANCIAL RESULT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016**

**A. DISCLOSURE REQUIREMENTS AS PER MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRS) 134**

**A1. BASIS OF PREPARATION**

This quarterly financial report is unaudited and has been prepared in accordance with Malaysian Financial reporting Standards (MFRSs). In preparing this quarterly financial report MFRS 134: *Interim Financial Reporting* has been applied. In addition, this quarterly financial report has been prepared in accordance with Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

**A2. METHOD OF COMPUTATION AND CHANGES IN ACCOUNTING POLICIES**

The methods of computation used in the preparation of the quarterly financial report are consistent with those adopted in the preparation of the audited financial statements and audited information of AmanahRaya Real Estate Investment Trust (ARREIT or "Trust" ) for the financial year ended 31 December 2016. There is no impact upon the adoption of MFRSs on the financial reports.

**A3. AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2016**

The audit report of the Trust's financial statements for the financial year ended 31 December 2016 was not subject to any qualification.

**A4. SEASONALITY OR CYCLICALITY OF OPERATIONS**

The business operations of the Trust are not affected by any material seasonal or cyclical factor.

**A5. UNUSUAL ITEMS**

There were no items of unusual nature that affect the assets, liabilities, equities, net income or cash flows to be disclosed for the quarter under review.

**A6. CHANGES IN ESTIMATES**

This is not applicable as no estimates were previously reported.

**A7. DEBTS AND EQUITY SECURITIES**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date.

**A8. INCOME DISTRIBUTION**

The Trust has paid its first interim income distribution on 1 July 2016 amounting to RM8,967,104. The Trust has also distributed RM8,520,032 on 7 October 2016 as second interim dividend. For the third quarter, the management has proposed and provided RM8,165,231 to be distributed to the unitholders on 6 January 2017.

**A9. SEGMENTAL REPORTING**

No segmental information was prepared as the Trust's activities are predominantly in one segment of the industry and occur predominantly in Malaysia.

**A10. VALUATION OF INVESTMENT PROPERTIES**

For the quarter under review, there were increase of RM5,207,986 in the fair values of the investment properties held since last revaluation exercise.

**A11. MATERIAL AND SIGNIFICANT EVENT**

There was no material event as at the latest practicable date from the date of this report.

**A12. CHANGES IN THE COMPOSITION AND FUND SIZE OF THE TRUST**

There were no changes in the composition of ARREIT for the current quarter and the total number of units issued stands at 573,219,858.

**A13. CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

There were no contingent liabilities or contingent assets to be disclosed.

**A14. TRADE AND OTHER PAYABLES**

Included in the Current and Non-Current Liabilities - Trade and Other Payables are tenant deposits of RM18,906,742 received from lessees for tenancy contracts with tenure of one to twenty five years.

**B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. REVIEW OF PERFORMANCE**

The Manager is pleased to report to the unitholders of ARREIT the results for the fourth financial quarter ended 31 December 2016.

For the period ended 31 December 2016, the Trust recorded a cumulative rental income of RM57,385,743 as against preceding corresponding period of RM61,607,065. The decrease in rental income of 7% was contributed by the disposal of Wisma AmanahRaya Jalan Ampang on 27 January 2016. Interest income was recorded lower at RM1,585,321 in comparison to the cumulative preceding quarter of RM2,650,771.

Total cumulative property expenses for the period under review increased to RM4,083,964 from RM3,805,673 in the preceding corresponding period. The increase was mainly due to repair and maintenance cost which incurred at Wisma AmanahRaya Jalan Semantan for the whole year.

On the other hand, total cumulative non-property expenses for the period has recorded a decrease from RM24,315,689 in the corresponding period to RM20,051,655. The decrease was mainly contributed by the lower interest term loan payment due to redemption of RM78million to Affin Bank Berhad on 27 January 2016 and settlement of RM30million prior to the disbursement of the Revolving Credit facility on 9 May 2016.

For the quarter under review, the fund had also recorded an increase in fair value of its investment properties (unrealised gain) amounting to RM5.21 million. Net income before tax inclusive of unrealised gain was RM40,541,175 as against RM59,682,578 in the previous corresponding period. Realised income is also recorded lower than the preceding corresponding period at RM35,333,189 (preceding corresponding period - RM36,622,978).

**B2. COMPARISON OF INCOME BEFORE TAXATION BETWEEN CURRENT QUARTER AND PRECEDING QUARTER**

	<b>Current Quarter 31.12.2016 RM</b>	<b>Preceding Corresponding Quarter 31.12.2015 RM</b>
Revenue		
- Gross revenue (rental income)	14,295,454	15,583,717
- Interest and other income	140,181	948,341
- Changes in fair value of investment properties	5,207,986	23,059,600
Total	<u>19,643,621</u>	<u>39,591,658</u>
Expenses		
Property expenses	(1,099,427)	711,383
Non-property expenses	(5,005,145)	(6,877,317)
Total	<u>(6,104,572)</u>	<u>(6,165,934)</u>
Income before taxation	<u>13,539,049</u>	<u>33,425,724</u>

The Trust's rental income for the current quarter ended 31 December 2016 is lower by 8% than the preceding corresponding quarter. Interest income is slightly lower than last corresponding quarter by 85%.

The Trust's property expenses incurred for the current quarter was significantly higher in comparison to the preceding quarter partly due to the increase in repair and maintenance costs for the properties. Non-property expenses is lower than the previous corresponding quarter due to reduction of interest term loan payment due to redemption of RM78million to Affin Bank Berhad on 27 January 2016.

Net income before tax is recorded at RM13,259,049 which is decreased by 59% than the income before tax in the preceding corresponding quarter.

**B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD - Cont'd**

**B3. PROSPECTS**

The Manager is continuously ensuring the existing assets within the portfolio are well maintained to ensure the stability of rental income and the Trust benefits from capital appreciations.

Apart from that, the Manager is actively identifying good assets for new acquisition to continuously improve the yield and further diversify the portfolio to minimise the sectoral risk.

The strategy of having assets with long-term leases by reputable lessees shall continue to be the focus of ARREIT to ensure sustainable return.

**B4. VARIANCES**

This is not applicable as no profit forecast or profit guarantee was issued for this financial quarter.

**B5. ACQUISITION OR DISPOSAL OF INVESTMENT PROPERTIES**

On June 2015, ARREIT entered into sale and purchase agreement for the disposal of an investment property Wisma Amanahraya Jalan Ampang for a total consideration of RM78,000,000. The disposal of Wisma Amanahraya Jalan Ampang was completed on 27 January 2016.

On May 2016, the acquisition of Toshiba Building from Vila Armada Sdn Bhd for a total consideration of RM32,000,000 was completed and on August 2016 the acquisition of Deluge Factory from Pipeline Distribution (M) Sdn Bhd for a total consideration of RM24,000,000 was also completed. On 30 December 2016, the acquisition of Contraves was completed for a total consideration of RM40,000,000.

**B6. TAXATION**

Pursuant to Section 61A(1) of the Income Tax Act, 1967 under the Finance Act 2006, where in the basis period for a year of assessment, 90% or more of the total income of the Trust is distributed to its unitholders, the total income of the Trust for that year of assessment shall be exempted from tax.

Thus, based on the income distribution made for the current quarter, the Trust has not provided any tax expenses for the period.

A numerical reconciliation between the applicable income tax expense and effective income tax expense on the Trust is as follows:

	<b>Current Quarter 31.12.2016 RM</b>	<b>Preceding Corresponding Quarter 31.12.2015 RM</b>	<b>Current Year To-date 31.12.2016 RM</b>	<b>Preceding Year To-date 31.12.2015 RM</b>
Earnings before taxation	13,539,049	33,425,724	40,541,175	59,682,578
Taxation at Malaysia				
Statutory tax rate @ 25%	3,384,763	2,159,814	10,135,294	6,564,214
Non-deductible expenses	169,461	126,300	437,960	280,966
Effect of interest income and other income not subject to tax	(38,591)	(165,627)	(396,331)	(439,692)
Effect of income not subject to tax	(1,301,996)	-	(1,301,996)	-
Effect of income distribution exempted from tax	(2,213,637)	(2,120,488)	(8,874,927)	(6,405,488)
Tax expenses	-	-	-	-

**B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD - Cont'd**

**B7. CORPORATE PROPOSAL AND DEVELOPMENT**

There were no new corporate proposal and development announced during the current quarter..

**B8. As at 31 December 2016 The Trust's composition of investment portfolio are as follows:**

	Acquisition cost (Asset & Enhancement) RM	Fair value as at 31.12.2016 RM	Percentage of fair value to Net Asset Value %	Percentage of fair value to Total Asset %
<b>Investment properties</b>				
<i>Hospitality</i>				
Holiday Villa Alor Setar	31,000,000	35,900,000	5.23	3.46
Holiday Villa Langkawi	57,161,319	81,000,000	11.81	7.80
<i>Education</i>				
SEGi College	52,500,000	66,500,000	9.69	6.40
* SEGi Campus College	145,000,000	174,000,000	25.36	16.76
<i>Commercial</i>				
Block A & B, South City Plaza	18,300,000	16,000,000	2.33	1.54
* Wisma Amanah Raya Berhad (Jalan Semantan)	53,000,000	72,000,000	10.49	6.93
* Selayang Mall	129,835,000	146,500,000	21.35	14.11
* Dana 13	99,120,000	110,000,000	16.03	10.59
<i>Industrial</i>				
* Silver Bird Factory	92,000,000	102,000,000	14.87	9.82
* AIC Factory	19,200,000	30,000,000	4.37	2.89
Gurun Automotive Warehouse	23,970,000	20,000,000	2.92	1.93
Wisma Comcorp	30,000,000	35,500,000	5.17	3.42
Toshiba	32,000,000	32,000,000	4.66	3.08
Deluge Factory	24,000,000	25,000,000	3.64	2.41
* Contraves	40,000,000	40,000,000	5.83	3.85
	847,086,319	986,400,000	143.78	95.00
<b>Others</b>				
Deposits placed with licensed financial institutions		20,061,280	2.92	1.93

++ Asset held for sale

\* Charged to financial institution for credit facility

**B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD - Cont'd**

**B9. BORROWINGS AND DEBT SECURITIES**

	<b>Current Year To-date 31.12.2016 RM</b>	<b>Preceding Year To-date 31.12.2015 RM</b>
Long term borrowings - secured	290,150,000	364,230,000

The borrowings are secured by way of legal charge on certain properties of the Trust. The average effective interest rate (annualised) for these borrowings is 4.60% (preceding correspondence quarter: 4.65%). The gearing ratio is currently 30.35%.

	<b>Current Year To-date 31.12.2016 RM</b>	<b>Preceding Year To-date 31.12.2015 RM</b>
Short term borrowings - revolving credit facility	25,000,000	-

The facility are offered and limited by RM30 million. The average effective interest rate for these facility is COF + 0.5% (floating rate) and base on the tenure of 1, 3 and 6 months.

**B10. UTILISATION OF PROCEEDS RAISED FROM ISSUANCE OF NEW UNITS**

There is no issuance of new units during the financial quarter under review.

**B11. SOFT COMMISSION**

During the financial quarter ended 31 December 2016, the Manager or its delegates did not receive any soft commission from its broker, by virtue of transactions conducted by the Trust.

**B12. PURCHASE OR DISPOSAL OF INVESTMENT IN QUOTED SECURITIES**

During the financial quarter ended 31 December 2016, there was no purchase or disposal of investment in quoted securities.

**B13. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

The Trust has no financial instrument with off balance sheet risks as at the latest practicable date from the date of the issuance of this report that might materially affect the position or business of the Trust.

**B14. MATERIAL LITIGATION**

In respect of the litigation which has arisen between AmanahRaya-REIT with Standard Confectionary Sdn Bhd and High-5 Conglomerate Berhad on Silver Bird Factory, the Court has given order for vacant possession and consequential relief to AmanahRaya-REIT. The manager has successfully repossess the Property on 4 July 2016.

**B15. INCOME DISTRIBUTION**

The following withholding tax rates would be applicable on distribution of income which is tax exempt at Trust level:-

<u>Types of unit holders</u>	<u>Rates of tax</u>
<b>Resident unitholders;</b>	
- Resident company	No withholding tax; tax at prevailing corporate tax rate
- Unitholders other than a resident company	Withholding tax at 10%; effective from 1 January 2012 to 31 December 2016
<b>Non-resident unitholders;</b>	
- Non-resident company	Withholding tax at 24%; effective from 1 January 2016 to 31 December 2016
- Non-resident institutional investor	Withholding tax at 10%; effective from 1 January 2012 to 31 December 2016
- Non-resident other than company and institutional investors	Withholding tax at 10%; effective from 1 January 2012 to 31 December 2016

**B16. EARNINGS PER UNIT**

The earnings per unit of the Trust have been computed by dividing the income after taxation for the period by the total number of units issued during the period.

	<b>Current Quarter 31.12.2016 RM</b>	<b>Preceding Corresponding Quarter 31.12.2015 RM</b>
Earnings after taxation	13,539,049	33,425,724
Total number of units issued	573,219,858	573,219,858
Earnings per unit (sen)		
- realised	1.4534	1.8084
- unrealised	0.9085	4.0228
	2.3619	5.8312

**B17. DISTRIBUTION PER UNIT**

The distribution per unit of the Trust has been computed by dividing the distribution amount for the period by the total number of units

	<b>Current Quarter 31.12.2016 RM</b>	<b>Preceding Corresponding Quarter 31.12.2015 RM</b>
Provision for income distribution	8,164,442	10,366,124
Total number of units issued	573,219,858	573,219,858
Distribution per unit (sen) (realised)	1.4243	1.8084

**B18. STATEMENT BY THE DIRECTORS OF THE MANAGER**

In the opinion of the Directors of the Manager, the quarterly report has been prepared in accordance with MFRS 134: *Interim Financial Reporting* and Paragraph 9.44 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad so as to give a true fair view of the financial position of ARREIT as 31 December 2016 and of its financial performance and cash flows for the quarter/period ended on that date and duly authorised for release by the Board of the Manager on 14 February 2017.

By Order of the Board  
 JERRY JESUDIAN A/L JOSEPH ALEXANDER  
 LEONG SHIAK WAN (f)  
 Joint Company Secretaries  
 AmanahRaya-REIT Managers Sdn Bhd (Company No. 856167-A)  
 (As the Manager of AmanahRaya Real Estate Investment Trust)  
 Kuala Lumpur  
 Dated: 14 February 2017