

## AL-SALĀM REIT

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Fourth Quarter Ended 31 December 2018

Note	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Corresponding Quarter	Change	Current Year To Date	Preceding Year Corresponding To Date	Change
	31-12-2018	31-12-2017		31-12-2018	31-12-2017	
	RM	RM	%	RM	RM	%
	21,625,746	18,485,904	17.0	75,408,052	73,333,345	2.8
	1,976,779	1,762,592	12.2	6,742,696	6,699,417	0.6
Total revenue	23,602,525	20,248,496	16.6	82,150,748	80,032,762	2.6
Utilities expenses	(1,794,256)	(1,673,883)	7.2	(6,778,164)	(6,677,878)	1.5
Maintenance expenses	(388,270)	(555,706)	(30.1)	(3,788,020)	(3,837,171)	(1.3)
Quit rent and assessment	(524,775)	(363,110)	44.5	(1,614,101)	(1,452,438)	11.1
Other operating expenses	(3,108,814)	(3,606,843)	(13.8)	(11,455,436)	(10,907,964)	5.0
Property manager fee	(67,500)	(67,500)	-	(270,000)	(270,000)	-
Property operating expenses	(5,883,615)	(6,267,042)	(6.1)	(23,905,721)	(23,145,451)	3.3
Net property income	17,718,910	13,981,454	26.7	58,245,027	56,887,311	2.4
Investment income	316,226	266,671	18.6	1,025,884	1,187,792	(13.6)
Gain in fair value adjustment	6,834,236	5,063,150	35.0	7,581,684	5,063,150	49.7
Net investment income	24,869,372	19,311,275	28.8	66,852,595	63,138,253	5.9
Manager's management fees	(433,733)	(587,960)	(26.2)	(1,503,100)	(2,341,523)	(35.8)
Trustee's fees	(30,717)	(30,154)	1.9	(122,492)	(121,777)	0.6
Shariah advisors' fee	(3,000)	(3,000)	-	(6,000)	(6,000)	-
Islamic financing costs	(7,622,120)	(4,719,247)	61.5	(23,384,181)	(18,471,316)	26.6
Other trust expenses	(519,879)	(308,041)	68.8	(1,535,411)	(1,592,005)	(3.6)
Net income before tax	16,259,923	13,662,873	19.0	40,301,411	40,605,632	(0.7)
Taxation	-	-	-	-	-	-
<b>Net income for the period</b>	<b>16,259,923</b>	<b>13,662,873</b>	<b>19.0</b>	<b>40,301,411</b>	<b>40,605,632</b>	<b>(0.7)</b>
Other comprehensive income, net of tax	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>16,259,923</b>	<b>13,662,873</b>	<b>19.0</b>	<b>40,301,411</b>	<b>40,605,632</b>	<b>(0.7)</b>
Net income for the period is made up as follow:						
Realised	9,425,687	8,599,723	9.6	31,866,722	35,542,482	(10.3)
Unrealised	6,834,236	5,063,150	35.0	8,434,689	5,063,150	66.6
	16,259,923	13,662,873	19.0	40,301,411	40,605,632	(0.7)
Earnings per unit (sen)	2.80	2.36	19.0	6.95	7.00	(0.7)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the financial statements.

**AL-SALĀM REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2018**

	Note	Unaudited As At End Of Current Quarter 31-12-2018	Audited As at preceding year ended 31-12-2017
		RM	RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	A9	1,092,686,000	927,470,000
Property, plant & equipment		895,143	557,188
<b>Current Assets</b>			
Trade receivables		4,853,859	4,523,787
Other receivables & prepayments		7,920,284	8,745,852
Cash and bank balances		12,489,624	12,651,281
Fixed deposits with licensed banks		34,273,000	32,415,000
Amount due from related companies		3,321,296	2,392,790
		<u>62,858,063</u>	<u>60,728,710</u>
<b>TOTAL ASSETS</b>		<u>1,156,439,206</u>	<u>988,755,898</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Islamic financing	B10	509,527,596	347,698,967
Other payables and accruals		13,974,324	14,349,488
		<u>523,501,920</u>	<u>362,048,455</u>
<b>Current Liabilities</b>			
Islamic financing	B10	-	3,100,000
Other payables and accruals		5,129,645	6,945,237
Provision for income distribution		5,800,000	-
Amount due to related companies		1,080,530	366,571
		<u>12,010,175</u>	<u>10,411,808</u>
<b>TOTAL LIABILITIES</b>		<u>535,512,095</u>	<u>372,460,263</u>
<b>NET ASSETS VALUE</b>		<u>620,927,111</u>	<u>616,295,635</u>
<b>REPRESENTED BY:</b>			
Unitholders' capital		572,545,319	572,545,319
Undistributed income		48,381,792	43,750,316
<b>TOTAL UNITHOLDERS' FUND</b>		<u>620,927,111</u>	<u>616,295,635</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>		<u>580,000,000</u>	<u>580,000,000</u>
<b>NET ASSETS VALUE (NAV) PER UNIT (RM)</b>		1.0706	1.0626

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the financial statements.

**AL-SALĀM REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES**  
**IN NET ASSETS VALUE**  
**For the Fourth Quarter Ended 31 December 2018**

	Unitholders' Capital RM	Undistributed income Realised RM	Unrealised RM	Total RM
<b>As at 1 January 2018</b>	572,545,319	20,344,661	23,405,655	616,295,635
<b>Total comprehensive income for the period</b>	-	31,866,722	8,434,689	40,301,411
<b>Unitholders' transactions</b>				
Issuance of new units	-	-	-	-
Distribution to unitholders#	-	(35,669,935)	-	(35,669,935)
Issuing expenses	-	-	-	-
<i>Increase/(Decrease) in net assets resulting from unitholders' transactions</i>	-	(35,669,935)	-	(35,669,935)
<b>As at 31 December 2018</b>	<u>572,545,319</u>	<u>16,541,448</u>	<u>31,840,344</u>	<u>620,927,111</u>
<b>As at 1 January 2017</b>	572,545,319	21,052,037	18,342,505	611,939,861
<b>Total comprehensive income for the period</b>	-	35,542,482	5,063,150	40,605,632
<b>Unitholders' transactions</b>				
Issuance of new units	-	-	-	-
Distribution to unitholders	-	(36,249,858)	-	(36,249,858)
Issuing expenses	-	-	-	-
<i>Increase/(Decrease) in net assets resulting from unitholders' transactions</i>	-	(36,249,858)	-	(36,249,858)
<b>As at 31 December 2017</b>	<u>572,545,319</u>	<u>20,344,661</u>	<u>23,405,655</u>	<u>616,295,635</u>

# Include :

- i) Payment of final income distribution of 3.15 sen per unit for the financial year ended 31 December 2017 (of which 3.11 sen is taxable and 0.04 sen per unit is non taxable in the hand of unitholders) in respect of the period from 1 July 2017 to 31 December 2017 which was paid on 28 February 2018.
- ii) Payment of first interim income distribution of 1.00 sen per unit for the financial year ended 31 December 2018 (taxable in the hand of unitholders) in respect of the period from 1 January 2018 to 31 March 2018 which was paid on 9 July 2018.
- iii) Payment of second interim income distribution of 1.00 sen per unit for the financial year ended 31 December 2018 (taxable in the hand of unitholders) in respect of the period from 1 April 2018 to 30 June 2018 which was paid on 19 October 2018.
- iv) Payment of third interim income distribution of 1.00 sen per unit for the financial year ended 31 December 2018 (taxable in the hand of unitholders) in respect of the period from 1 July 2018 to 30 September 2018 which was paid on 14 January 2019.

The Condensed Consolidated Statement of Changes In Net Assets Value should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the financial statements.

**AL-SALĀM REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Fourth Quarter Ended 31 December 2018**

	31-12-2018	To Date 31-12-2017
	<u>RM</u>	<u>RM</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income before tax	40,301,411	40,605,632
Adjustment for:		
Islamic financing costs	23,384,181	18,471,316
Investment income	(1,025,884)	(1,187,792)
Depreciation	59,959	21,327
Unbilled rental income	(853,005)	-
Gain on fair value adjustment	(7,581,684)	(5,063,150)
Operating profit before working capital changes	<u>54,284,978</u>	<u>52,847,333</u>
Increase in trade receivables	(330,072)	(699,577)
Decrease / (Increase) in other receivables and prepayments	1,765,036	(5,698,325)
Increase in amount owing by related parties	(928,506)	(825,998)
(Decrease) / Increase in payables and accruals	(3,057,893)	1,819,493
Increase in amount owing to related parties	<u>713,959</u>	<u>366,571</u>
Cash generated from operations	52,447,502	47,809,497
Taxes paid	-	-
Net cash generated from operating activities	<u>52,447,502</u>	<u>47,809,497</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to investment properties	(5,779,425)	(316,850)
Purchase of equipment	(397,914)	(434,531)
Income received from other investments	1,025,884	1,181,609
Increase in pledged deposits with licensed banks	<u>(2,776,407)</u>	<u>(330,000)</u>
Net cash generated from investing activities	<u>(7,927,862)</u>	<u>100,228</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from Islamic financing	7,830,109	3,100,000
Islamic financing costs paid	(23,559,878)	(17,464,245)
Income distribution paid	<u>(29,869,935)</u>	<u>(36,249,858)</u>
Net cash generated from / (used in) financing activities	<u>(45,599,704)</u>	<u>(50,614,103)</u>

**AL-SALĀM REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**For the Fourth Quarter Ended 31 December 2018**

	31-12-2018	To Date 31-12-2017
	<u>RM</u>	<u>RM</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,080,064)	(2,704,378)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	35,151,281	37,855,659
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<u>34,071,217</u>	<u>35,151,281</u>
<b>DEPOSITS, CASH AND BANK BALANCES</b>		
Cash and bank balances	12,489,624	12,651,281
Fixed deposits with licensed banks	34,273,000	32,415,000
	46,762,624	45,066,281
Less : Pledged deposits with licensed banks	(12,691,407)	(9,915,000)
<b>CASH AND CASH EQUIVALENTS</b>	<u>34,071,217</u>	<u>35,151,281</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the financial statements.

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 December 2018

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

##### A1. BASIS OF PREPARATION

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

The accounting policies and methods of computation adopted by the Fund in this interim financial statements are consistent with those adopted in its most recent Audited Financial Statements for the financial year ended 31 December 2017.

##### Standards, amendments to published standards and interpretations that are effective

The Group has applied the following amendments for the financial year beginning on 1 January 2018:

- MFRS 9 'Financial Instruments'
- MFRS 15 'Revenue from Contracts with Customers'
- Amendments to MFRS 2 'Classification and Measurement of Share-based Payment Transactions'
- Amendments to MFRS 4 'Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts'
- Amendments to MFRS 140 'Transfers of Investment Property'
- Amendments to MFRSs 'Annual Improvements to MFRSs 2014-2017 Cycle'
- IC Interpretation 22 'Foreign Currency Transaction and Advance Consideration'

The adoption of these new MFRSs, amendments to MFRSs, and IC Interpretation did not result in significant changes to the accounting policies of the Group and had no significant effect on the financial performance or position of the Group except for the adoption of MFRS 9 and MFRS 15.

##### Standards that have been issued but not yet effective

The Group did not early adopt these new standards:

- MFRS 16 'Leases' (effective from 1 January 2019)
- MFRS 17 'Insurance Contracts' (effective from 1 January 2021)
- Amendments to MFRS 9 'Prepayment Features with Negative Compensation' (effective 1 January 2019)
- Amendments to MFRS 128 'Long-term Interests in Associates and Joint Ventures' (effective 1 January 2019)
- Amendments to MFRSs 'Annual Improvements to MFRSs 2015-2017 Cycle' (effective 1 January 2019)
- MFRSs 'Amendments to References to the Conceptual Framework in MFRS Standards' (effective 1 January 2020)
- Amendments to MFRS 3 'Definition of a Business' (effective 1 January 2020)
- Amendments to MFRS 101 and MFRS 108 'Definition of Material' (effective 1 January 2020)
- Amendments to MFRS 10 and MFRS 128 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture' (effective date deferred to a date to be announced by MASB)
- IC Interpretation 23 'Uncertainty over Income Tax Payments' (effective 1 January 2019)

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

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 December 2018

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

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

The Audited Financial Statements of Al-Salām REIT for the financial year ended 31 December 2017 was not subject to any audit qualification.

#### A3. SEASONALITY AND CYCLICALITY OF OPERATIONS

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

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

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

#### A5. CHANGES IN ACCOUNTING ESTIMATES

##### i. MFRS 15 'Revenue from Contracts with Customers'

With the adoption of MFRS 15, revenue is recognised by reference to each distinct performance obligation in the contract with customer. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

There were no material financial impacts to the statements of financial position and the statements of profit or loss and other comprehensive income of the Group arising from the adoption of MFRS 15.

##### ii. MFRS 9 'Financial Instruments'

The accounting policies were changed to reflect the application of MFRS 9 from the beginning of the first MFRS reporting period. MFRS 9 replaces the provisions of MFRS 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. MFRS 9 also significantly amends other standards dealing with financial instruments such as MFRS 7 'Financial Instruments: Disclosures'. The cumulative effects of the changes are recognised in the statements of financial position as at the beginning of the first MFRS reporting period, which is on 1 January 2018.

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 December 2018

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

##### A5. CHANGES IN ACCOUNTING ESTIMATES (continued)

The table below illustrates the classification and measurement of financial assets and financial liabilities under MFRS 139 and MFRS 9 at the date of initial application, 1 January 2018.

	Measurement category		Carrying amount	
	under <u>MFRS 139</u>	under <u>MFRS 9</u>	Original <u>RM'000</u>	New <u>RM'000</u>
<u>Financial assets</u>				
Trade receivables	Loans and receivables	Amortised cost	4,524	4,524
Other receivables	Loans and receivables	Amortised cost	1,688	1,688
Amount owing by related parties	Loans and receivables	Amortised cost	2,393	2,393
Fixed deposits with licensed banks	Loans and receivables	Amortised cost	32,415	32,415
Cash and bank balances	Loans and receivables	Amortised cost	12,651	12,651

	Measurement category		Carrying amount	
	under <u>MFRS 139</u>	under <u>MFRS 9</u>	Original <u>RM'000</u>	New <u>RM'000</u>
<u>Financial liabilities</u>				
Other payables and accrued expenses	Other financial liabilities	Amortised cost	21,295	21,295
Amount owing to related parties	Other financial liabilities	Amortised cost	367	367
Islamic financing	Other financial liabilities	Amortised cost	350,799	350,799

#### Impairment of financial assets

Until 31 December 2017, the Group assessed the impairment of loans and receivables based on the incurred impairment loss model.

From 1 January 2018, the Group apply the expected credit loss ("ECL") model to determine impairment on investment in debt instruments that are measured at amortised cost and at fair value through other comprehensive income ("FVTOCI").

From the assessment above, the Group deems that no retrospective adjustment is required. As a consequence, it is not necessary to provide an additional statement of financial position as at the beginning of the earliest comparative period presented where an entity has made a retrospective change in accounting policies and/or a retrospective reclassification.

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 December 2018

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

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

On 24 August 2018, ALSREIT Capital Sdn Bhd established a Sukuk Ijarah Programme comprising Islamic Medium Term Notes ("IMTN") of up to RM1.5 billion in nominal value and issued RM162,785,000 in nominal value of IMTNs ("Issue 1") with transaction cost amounting RM3,257,404.

#### A7. INCOME DISTRIBUTION

On 30 November 2018, the Fund declared the third interim income distribution of 1.00 sen per unit for the financial year ending 31 December 2018 (taxable in the hands of unit holders) in respect of the period from 1 July 2018 to 30 September 2018. The said distribution has been paid on 14 January 2019.

#### A8. SEGMENTAL REPORTING

As at 31 December 2018

	Retail outlets RM'000	Office buildings RM'000	F&B Restaurants RM'000	F&B Non- restaurants RM'000	Other- Fund level operations RM'000	Total RM'000
Total revenue	51,892	9,370	9,963	10,926	-	82,151
Property operating expenses	(19,533)	(3,793)	(16)	(294)	(270)	(23,906)
Net property income	32,359	5,577	9,947	10,632	(270)	58,245
Fair value gain on investment properties	365	-	4,027	3,189	-	7,581
Investment income	-	-	-	-	1,026	1,026
Net investment income	32,724	5,577	13,974	13,821	756	66,852
Total trust expenses	-	-	-	-	(3,167)	(3,167)
Islamic financing costs	-	-	-	-	(23,384)	(23,384)
Net income before tax	32,724	5,577	13,974	13,821	(25,795)	40,301
Income tax expenses	-	-	-	-	-	-
Net income for the period	32,724	5,577	13,974	13,821	(25,795)	40,301
Total assets	802,521	92,881	165,697	173,764	(78,424)	1,156,439
Total liabilities	16,380	2,422	-	709	516,001	535,512

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 December 2018

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

#### A8. SEGMENTAL REPORTING

As at 31 December 2017

	<b>Retail outlets RM'000</b>	<b>Office buildings RM'000</b>	<b>F&amp;B Restaurants RM'000</b>	<b>F&amp;B Non- restaurants RM'000</b>	<b>Other- Fund level operations RM'000</b>	<b>Total RM'000</b>
Total revenue	50,299	9,136	9,803	10,795	-	80,033
Property operating expenses	(18,811)	(3,685)	(13)	(367)	(270)	(23,146)
Net property income	31,488	5,451	9,790	10,428	(270)	56,887
Fair value gain on investment properties	-	683	3,080	1,300	-	5,063
Investment income	-	-	-	-	1,188	1,188
Net investment income	31,488	6,134	12,870	11,728	918	63,138
Total trust expenses	-	-	-	-	(4,061)	(4,061)
Islamic financing costs	-	-	-	-	(18,471)	(18,471)
Net income before tax	31,488	6,134	12,870	11,728	(21,614)	40,606
Income tax expenses	-	-	-	-	-	-
Net income for the period	31,488	6,134	12,870	11,728	(21,614)	40,606
Total assets	615,162	91,611	161,670	168,317	(48,004)	988,756
Total liabilities	16,670	2,496	-	721	352,573	372,460

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

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

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

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

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 December 2018

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

##### A9. VALUATION OF INVESTMENT PROPERTIES

During the current quarter under review, a valuation exercise was undertaken for all thirty-two (32) properties of Al-Salām REIT pursuant to FRS 140 and Clause 10.03 of the Securities Commission's REIT Guidelines. The revaluation has resulted in a surplus of RM7.6 million and has been incorporated into the financial statements of Al-Salām REIT as at 31 December 2018. The details of the said valuation carried out are tabled as follows:

Description of Property	Date of Valuation	2018 Fair Value RM'000
1. KOMTAR JBCC	31.12.2018	465,000
2. Menara KOMTAR	31.12.2018	73,000
3. @Mart Kempas Community Hypermarket	31.12.2018	65,000
4. KFCH International College	31.12.2018	30,000
5. Mydin Hypermart Gong Badak	31.12.2018	158,000
6. Premises No. 34, Jalan Mahsuri, Bandar Bayan Baru, 11950 Bayan Lepas, Pulau Pinang	31.12.2018	4,000
7. Premises Nos. 60 & 62, Jalan PJS 11/28A, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan	31.12.2018	9,400
8. Premises No. 5, Bangunan Joota Brothers, Jalan Sungai Korok, 06000 Jitra, Kedah Darul Aman	31.12.2018	530
9. Premises No. 1 & 1-1, Jalan Niaga, 81900 Kota Tinggi, Johor Darul Takzim	31.12.2018	830
10. Premises No. 3, 3A & 3B, Jalan Resam 13, Taman Bukit Tiram, 81800 Ulu Tiram, Johor Darul Takzim	31.12.2018	870
11. Premises No. 1, Jalan Baru Bandar 1, Pusat Bandar Baru Ayer Hitam, 86100 Ayer Hitam, Johor	31.12.2018	2,000
12. Premises No. 1, Jalan Mahajaya, Kawasan Penambakan Laut, Bandar Port Dickson, 71000 Port Dickson, Negeri Sembilan	31.12.2018	1,710
13. Premises No. 9, Persiaran Putra Timur 1, 02000 Kuala Perlis, Perlis Indera Kayangan	31.12.2018	480
14. Premises Nos. 18 & 20, Jalan Sulaiman, 43000 Kajang, Selangor Darul Ehsan	31.12.2018	9,700
15. Unit No. GF-12A, Queensbay Mall, 100, Persiaran Bayan Indah, 11900 Bayan Lepas, Pulau Pinang	31.12.2018	13,840
16. Unit No. 3A-G-18, Kompleks Bukit Jambul, Jalan Rumbia, 11900 Bayan Lepas, Pulau Pinang	31.12.2018	2,833
17. Unit No. G-103, Megamall Pinang Shopping Complex, No. 2828, Jalan Baru, Bandar Perai Jaya, 13600 Perai, Pulau Pinang	31.12.2018	2,742

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 December 2018

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

##### A9. VALUATION OF INVESTMENT PROPERTIES (continued)

Description of Property	Date of Valuation	2018 Fair Value RM'000
18. Unit No. G-104, Megamall Pinang Shopping Complex, No. 2828, Jalan Baru, Bandar Perai Jaya, 13600 Perai, Pulau Pinang	31.12.2018	1,662
19. Lot 5, Lorong Tembaga 3, Kawasan MIEL, KKIP Selatan, Kota Kinabalu Industrial Park, Menggatal, 88450 Kota Kinabalu, Sabah	31.12.2018	3,000
20. Premises No. 31, Lorong IKS Juru 3, Taman IKS Juru, 14100 Simpang Ampat, Pulau Pinang	31.12.2018	1,600
21. Premises No. 3, Lorong Gerudi 1, Off Jalan Pelabuhan Utara, 42000 Pelabuhan Klang, Selangor Darul Ehsan	31.12.2018	47,291
22. Premises No. 6, Jalan Gerudi, Off Jalan Pelabuhan Utara, 42000 Pelabuhan Klang, Selangor Darul Ehsan	31.12.2018	27,000
23. Premises Nos. 17, 19 & 21, Jalan Pemaju U1/15, Sek U1, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan	31.12.2018	57,098
24. Lot 14083, Jalan Kuchai Lama, 58200 Kuala Lumpur	31.12.2018	15,000
25. Lot 59060, Jalan Prima 1, Metro Prima, Off Jalan Kepong, 52100 Kuala Lumpur	31.12.2018	16,000
26. PT No. 6878, Jalan 8/27A, Pusat Bandar Wangsa Maju, 53300 Kuala Lumpur	31.12.2018	27,000
27. PT No. 2281, Jalan Kuala Ketil, Bandar Puteri Jaya, 08000 Sungai Petani, Kedah Darul Aman	31.12.2018	5,300
28. PT No. 217643, Jalan Kuala Kangsar, Taman Tasek Mutiara, 31400 Ipoh, Perak Darul Ridzuan	31.12.2018	8,700
29. PTD No. 171459, Jalan Persiaran Perling, Taman Perling, 81200 Johor Bahru, Johor Darul Takzim	31.12.2018	13,800
30. PTD 153154, Jalan Tampoi, Taman Damansara Aliff, 81200 Johor Bahru, Johor Darul Takzim	31.12.2018	12,100
31. PT No. 19503, Lebuhraya Ayer Keroh, 75450 Hang Tuah Jaya, Melaka	31.12.2018	8,700
32. PTD 103231, Taman Impian Senai, 81400 Senai, Johor Darul Takzim	31.12.2018	8,500
		1,092,686

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 December 2018

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

##### A10. SUBSEQUENT MATERIAL EVENTS

On 30 January 2019, the Manager, after consultation with the Trustee, declared a final income distribution of 2.35 sen per unit totalling RM 13.63 million for the financial year ended 31 December 2018. The distribution was approved by the Trustee and has not been included as a liability in the financial statements.

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

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

In the Annual General Meeting (AGM) held on 19 April 2018, the following resolutions have been passed by the unit holders of Al-Salām REIT:

###### Ordinary Resolution 1

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

###### Ordinary Resolution 2

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

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

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

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

##### A13. CAPITAL COMMITMENT

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

##### A14. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	<b>The Group</b>	<b>The Fund</b>	
	<b>31-12-2018</b>	<b>31-12-2018</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Rental income	34,540	34,951	27,861
Other property management and fees charged	7,635	7,635	4,487
Finance cost paid/payable to a subsidiary	-	3,274	-

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

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 December 2018

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

##### B1. REVIEW OF PERFORMANCE

	Quarter ended			Cumulative period ended		
	31-12-2018 RM'000	31-12-2017 RM'000	Change %	31-12-2018 RM'000	31-12-2017 RM'000	Change %
<b>Total revenue</b>						
Retail outlets	15,939	12,812	24.4	51,892	50,299	3.2
Office buildings	2,345	2,309	1.6	9,370	9,136	2.6
F&B restaurants	2,489	2,451	1.6	9,963	9,803	1.6
F&B non-restaurants	2,830	2,677	5.7	10,926	10,795	1.2
Total	<u>23,603</u>	<u>20,249</u>	16.6	<u>82,151</u>	<u>80,033</u>	2.6
<b>Net property income ("NPI")</b>						
Retail outlets	11,289	7,631	47.9	32,359	31,488	2.8
Office buildings	1,266	1,383	(8.5)	5,577	5,451	2.3
F&B restaurants	2,485	2,447	1.6	9,947	9,790	1.6
F&B non-restaurants	2,747	2,585	6.3	10,632	10,428	2.0
Property manager fee	(68)	(65)	4.6	(270)	(270)	-
Total	<u>17,719</u>	<u>13,981</u>	26.7	<u>58,245</u>	<u>56,887</u>	2.4
Investment income	316	267	18.4	1,026	1,188	(13.6)
Gain in fair value adjustment	6,834	5,063	35.0	7,581	5,063	49.7
Trust expenses	(8,609)	(5,648)	52.4	(26,551)	(22,532)	17.8
<b>Net income before tax</b>	<u>16,260</u>	<u>13,663</u>	19.0	<u>40,301</u>	<u>40,606</u>	(0.8)

#### Review of Current/Cumulative Quarter Results

##### **Retail outlets**

The retail segment reported a total revenue of RM15.9 million for the current quarter ended 31 December 2018 (Q4 2018), an increase of 24.4% compared to the preceding year corresponding quarter (Q4 2017). The addition of Mydin Hypermart Gong Badak resulted in the increase of total revenue of RM3.5 million compensated by rental rebate given to Metrojaya Department Stores Sdn Bhd ("MJ") of RM0.9 million as part of the mutual agreement with MJ for the departure of MJ from KOMTAR JBCC. Net property income (NPI) of RM11.3 million represented an increase of 47.9% due to the increase in total revenue as stated earlier.

For the cumulative period ended 31 December 2018, total revenue and net property income of the retail segment had experienced an increase of RM1.6 million and RM0.9 million respectively due to rental income from Mydin Hypermart Gong Badak compensated by rental rebate to Metrojaya and an increase in operating expenses.

##### **Office building**

For Q4 2018, total revenue of RM2.3 million was reported, an increase of 1.6% due to higher rental renewal rate. NPI decreased by 8.5% due to higher operating expenses incurred in the current quarter as compared to Q4 2017.

For the cumulative period to-date, total revenue and net property income reported an increase of 2.6% and 2.3% on the back of higher rental renewal rate despite lower occupancy rate of 90% (Q4 2017:91%).

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

For Q4 2018 and cumulative period to-date, total revenue and NPI for F&B restaurants were increased by 1.6% for both. This was due to higher rental renewal rate of the restaurants. The properties are on a Triple Net arrangement with 100% occupancy rate (Q4 2017:100%).

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 December 2018

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

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

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

For Q4 2018 and cumulative period to-date, there was an increase in total revenue and NPI between Q4 2018 and Q4 2017 due to higher rental renewal rate of the property as the occupancy rate remains the same.

###### Net income before tax

For Q4 2018, higher net income before tax of RM16.3 million (Q4 2017: RM13.7 million) was reported. This was mainly due to higher rental income and higher fair value gain on investment properties despite an increase in operating expenses from retail segment as well as higher Islamic financing costs due to issuance of Sukuk for the acquisition of Mydin Hypermart Gong Badak.

For the financial year ended 31 December 2018, Al-Salām REIT recorded a total revenue of RM82.1 million representing an increase of RM2.1 million from RM80.0 million recorded in previous year's corresponding period. After taking into consideration Islamic financing costs and trust expenses totalling RM26.6 million, the net income before tax for the cumulative period ended 31 December 2018 was RM40.3 million, which is RM0.3 million lower than the previous corresponding quarter of RM40.6 million. This was mainly due to higher Islamic financing costs compensated by additional rental income from Mydin Hypermart Gong Badak and higher fair value on investment properties as mentioned above.

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

	Quarter ended		Change %
	31-12-2018 RM'000	30-09-2018 RM'000	
<b>Total revenue</b>			
Retail outlets	15,939	12,443	28.1
Office buildings	2,345	2,345	0.0
F&B restaurants	2,489	2,573	(3.3)
F&B non-restaurants	2,830	2,699	4.9
	<b>23,603</b>	<b>20,060</b>	<b>17.7</b>
<b>Net property income ("NPI") :</b>			
Retail outlets	11,289	7,041	60.3
Office buildings	1,266	1,494	(15.3)
F&B restaurants	2,485	2,569	(3.3)
F&B non-restaurants	2,747	2,612	5.2
Property manager fee	(68)	(68)	-
	<b>17,719</b>	<b>13,648</b>	<b>29.8</b>
Investment income	316	253	24.9
Gain in fair value adjustment	6,834	747	814.9
Trust expenses	(8,609)	(6,309)	36.5
<b>Net income before tax</b>	<b>16,260</b>	<b>8,339</b>	<b>95.0</b>

Total revenue reported an increase of 17.7% due to additional rental income from Mydin Gong Badak and higher rental renewal for 27 F&B restaurants and non-restaurants. Net income before tax reported an increase of 95% mainly due to gain in fair value adjustment of investment properties of RM6.8 million recorded in the current quarter.

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 December 2018

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

##### **B3. PROSPECTS**

According to Retail Group Malaysia Association ("RGM"), it has raised its 2018 retail sales growth rate forecast for Malaysia's retail industry to 4.4% from 4.1% after taking into consideration the industry's better performance in third quarter and expected moderate growth for the fourth quarter this year. For 2019, RGM projects a 4.5% growth rate in retail sales.

In the Johor Bahru retail scene, newly completed and upcoming shopping malls are expected to add more pressure in 2019. Malls with good concepts and diverse tenant mix will continue to attract high footfalls. Nonetheless, the strategic location of KOMTAR JBCC will remain the key selling points to continue taking the lead as the preferred shopping destination. The Ibrahim International Business District (IIBD) which was launched in November 2015 is set to upgrade the public infrastructures in the heart of Johor Bahru. The project involved among others, the construction of a link bridge that connects JB Sentral CIQ to Persada Annexe through KOMTAR JBCC, which will enhance its economic opportunity. KOMTAR JBCC also can expect direct impact from the completion of Menara JLand which provide 30-storey office space this year as well as the construction of Holiday Inn Hotel on top of KOMTAR JBCC. Apart from that, the proposed linkage of the upcoming Johor Bahru Rapid Transit System (RTS) with KOMTAR JBCC will further enhance the accessibility and connectivity for KOMTAR JBCC. KOMTAR JBCC occupancy rate is at 95% for the current quarter as compared to 96% in the preceding year corresponding quarter.

The Tenancy Agreement between Al-Salam REIT and Metrojaya Department Stores Sdn Bhd ("MJ") has been terminated on 31 December 2018. With the departure of MJ from KOMTAR JBCC, the revenue of Al-Salām REIT is expected to be slightly affected in 2019 as MJ currently contribute about 3% of Al-Salām REIT's total revenue for financial year ended 31 December 2018. Though the loss of anchor tenant will cause the occupancy to drop substantially, it will now give Al-Salām REIT the opportunity to review KOMTAR JBCC's tenant mix to cater the needs of the visitors and shoppers in the competitive environment. The vacant area will undergo reconfiguration exercise that eventually will offer the chance to create more space for mini anchors and specialty stores. The reconfiguration will also include improving the circulation areas of the mall, creating more inviting retail space with better visibility and providing a better shopping experience while driving per-square-foot productivity of the mall.

With regards to the office sector, Menara KOMTAR maintained its occupancy rate of 91%. The long term tenancy by Johor Corporation, provides a long term occupancy reliability for Menara KOMTAR.

@Mart Kempas recorded an average occupancy rate of 99% (FY2017: 92%) as at the end of the current quarter. @Mart Kempas is expected to remain resilient in the challenging economic situation by virtue of being a community mart that targets the lower and middle income market and offers shoppers a wide range of necessity household products.

The QSR Properties which are on a Triple Net arrangement with 100% (FY2017: 100%) occupancy rate and the resilience of food and beverages industry provides stability to Al-Salām REIT. The proposed acquisition of another 22 QSR Properties is anticipated to add to the stability of Al-Salām REIT and be completed in the 1st quarter of FY2019 which are yield-accretive.

Malaysian College of Hospitality and Management is being 100% tenanted by the education and hospitality division of KPJ group of companies which provide long term occupancy and further stability to the Fund.

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 December 2018

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

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

Mydin Hypermart Gong Badak which is on a Triple Net arrangement with Mydin Mohamed Holdings Bhd provides long term occupancy and additional stability to the Fund.

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

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

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

##### **B5. TAXATION**

Al-Salām REIT will be exempted from income tax provided that Al-Salām REIT distributes 90% or more of its total income as defined in the Malaysian Income Tax Act, 1967 ("ITA") to its unitholders within 2 months from the close of its financial period which forms the basis period for the period of assessment of Al-Salām REIT.

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

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

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

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

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

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

On 30 November 2017, Al-Salām REIT had entered into 3 conditional sale and purchase agreements with Kentucky Fried Chicken (Malaysia) Sdn Bhd, KFC (Peninsular Malaysia) Sdn Bhd, KFC (Sabah) Sdn Bhd and SPM Restaurants Sdn Bhd for the acquisition of 22 properties located across Malaysia for a total cash consideration of RM115.0 million to be funded via proceeds from the Proposed Placement and borrowings. The announcement was made on 4 December 2017. The Vendors, through its solicitors (via a letter dated 14 September 2018), have informed the Purchaser that they are agreeable to its request for an extension of the Conditional Period for 6 months until 28 February 2019.

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 December 2018

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

##### B8. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED (continued)

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

On 6 April 2018, on behalf of the Manager, Affin Hwang IB announced that Bursa Securities has granted its approval for the listing of and quotation for up to 116,000,000 new Units to be issued pursuant to the Proposed Placement on the Main Market of Bursa Securities via its letter dated 5 April 2018. Subsequently, the resolution dated 8 May 2018 were duly passed by the unitholders of Al-Salām REIT at the Extraordinary General Meeting on 6 June 2018. Al-Salām REIT had, on 7 September 2018 received the approval of the SC via its letter dated 6 September 2018 for the application for an extension of time of 6 months, i.e. until 22 March 2019 to complete the issuance and listing of new units. Bursa Securities via its letter dated 25 September 2018 approved Al-Salām REIT's application for an extension of time until 22 March 2019 to complete the implementation of the Proposed Placement.

##### B9. TRADE RECEIVABLES

	The Group	
	As at 31-12-2018 RM'000	As at 31-12-2017 RM'000
Trade receivables	4,854	4,524

Trade receivables comprise rental receivable from lessees. The credit period granted by the Fund on rental receivable from lessees ranges from 30 to 60 days (2017: 30 to 60 days).

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

	The Group	
	As at 31-12-2018 RM'000	As at 31-12-2017 RM'000
0 - 30 days	2,643	3,789
31 - 60 days	359	215
61 - 90 days	32	-
91 - 120 days	1,820	520
	4,854	4,524

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

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 December 2018

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

##### B10. ISLAMIC FINANCING

	The Group	
	As at 31-12-2018 RM'000	As at 31-12-2017 RM'000
<u>Current</u>		
<u>Secured</u>		
- Commodity Murabahah Revolving Credit-i ("CMRC-i")	-	3,100
<u>Non-current</u>		
<u>Secured</u>		
- Commodity Murabahah Term Financing-i ("CMTF-i")	350,000	350,000
- Sukuk Ijarah - Islamic Medium Term Notes ("IMTN")	162,785	-
- Transaction costs	(3,257)	(2,301)
	<u>509,528</u>	<u>350,799</u>

#### Current

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

#### Non-current

Islamic financing - non-current facility is a Commodity Murabahah Term Financing-i ("CMTF-i") dated 14 April 2015 amounting to RM350.0 million from RHB Islamic Bank Berhad and Maybank Islamic Berhad (collectively "the Banks") to part finance the acquisition of the investment properties of the Fund in 2015. The nominal value of the CMTF-i comprised Tranche 1 and Tranche 2, amounting to RM136.04 million and RM213.96 million, respectively.

The CMTF-i profit is payable over a period of 60 months from the date of first disbursement with full repayment of principal sum on the 60th month. The effective profit rate for the CMTF-i will be based on COF + 1.35% per annum for the first 16 months, COF + 1.40% per annum for the next 8 months and COF + 1.50% per annum for the remaining duration of the CMTF-i. The COF is based on each respective Banks' COF. The average effective profit rate for the CMTF-i is 5.38% (2017: 4.99%).

The total transaction costs of RM4,470,060 incurred in 2015 were debited against the amount of the Islamic financing facility on drawdown date comprising, amongst others, processing and stamping fees, legal advisory fees and other establishment fees.

On 24 August 2018, ALSREIT Capital Sdn Bhd established a Sukuk Ijarah Programme comprising Islamic Medium Term Notes ("IMTN") of up to RM1.5 billion in nominal value and issued RM162,785,000 in nominal value of IMTNs ("Issue 1") with transaction cost amounting RM1,850,383.

The Islamic financing facility is secured against investment properties totaling RM1,062,699,000 (2017: RM715,200,000). All Islamic financings are denominated in Ringgit Malaysia.

## AL-SALĀM REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Fourth Quarter Ended 31 December 2018

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

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

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

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

There was no material litigation for the current quarter under review.

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

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

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

	<b>Current Quarter ended 31-12-2018</b>	<b>Immediate Preceding Quarter ended 30-09-2018</b>
Number of units in issue (units)	580,000,000	580,000,000
Earnings per unit (EPU) - sen	2.80	1.44
Net income distribution to unitholders (RM'000)	5,800	5,800
Distribution per unit (DPU) - sen	1.00	1.00
Net Asset Value (NAV) - RM'000	620,927	610,467
NAV per unit (RM)	1.0706	1.0525
Market Value Per Unit (RM)	0.8100	0.8400

##### **B15. RESPONSIBILITY STATEMENT**

This quarterly report has been prepared in accordance with MFRS 134 : Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of Al-Salām REIT as at 31 December 2018 and of its financial performance and cash flows for the period then ended.