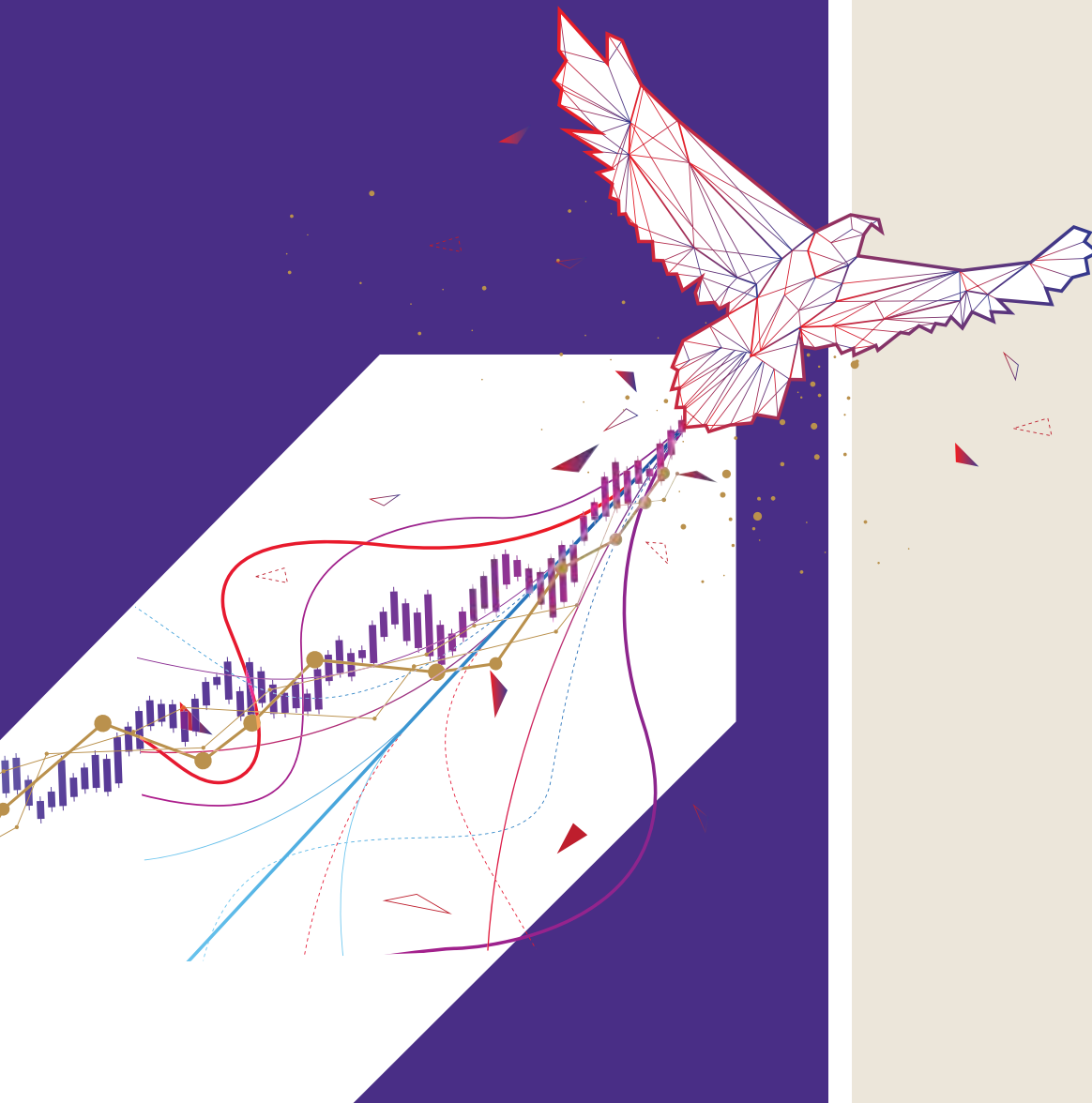


SECTION 05

OTHER INFORMATION

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PORTFOLIO SUMMARY AND DETAILS

RETAIL



KOMTAR JBCC

Location	: KOMTAR JBCC, Johor Bahru City Centre, Jalan Wong Ah Fook, Johor Bahru, Johor
Description	: A 4-Level Shopping Mall
Year of Completion	: 2014
Title	: Geran No. 44587
Tenure	: Freehold
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM431,000,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 9 years



@MART KEMPAS

Location	: Premises No. 10, Jalan Persiaran Tanjung Taman Cempaka 81200 Johor Bahru, Johor
Description	: Single-Storey Hypermarket
Year of Completion	: 2010
Title	: HSD 510051
Tenure	: Leasehold - 99 years, expiring on 23 January 2106
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM78,000,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 13 years



MYDIN HYPERMART GONG BADAQ

Location	: Lot 52606 (Formerly PT No. 35511), Dataran Austin, Jalan Gong Pak Damat, 21200 Kuala Terengganu, Terengganu
Description	: A double storey hypermarket, each floor with a mezzanine level
Year of Completion	: 2014
Title	: PN 10207
Tenure	: Leasehold - 99 years, expiring on 26 December 2109
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM172,000,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 9 years



UNIT NO G-104, MEGAMALL PINANG

Location	: Unit No. G-104, Megamall Pinang Shopping Complex, No. 2828, Jalan Baru, Bandar Perai Jaya, 13700 Perai, Pulau Pinang
Description	: Stratified Retail Unit
Year of Completion	: 1998
Title	: GRN 166213, Mukim1, District of Seberang Perai Tengah, Pulau Pinang
Tenure	: Freehold
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM1,130,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 25 years

PORTFOLIO SUMMARY AND DETAILS

F&B RESTAURANTS - SHOPHOUSES/OFFICE OUTLETS



Location	: Premises No. 34, Jalan Mahsuri, Bandar Baru Bayan, 11950 Bayan Lepas, Pulau Pinang
Description	: KFC Restaurant
Year of Completion	: 1993
Title	: PN 2263
Tenure	: Leasehold 99 years expiring on 15 May 2090
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM4,800,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 30 years



Location	: Premises No. 60 & 62, Jalan PJS 11/28A Bandar Sunway, 46150 Petaling Jaya, Selangor
Description	: KFC Restaurant
Year of Completion	: 1996
Title	: PN 72423, PN 72424, HSM 9319, HSM 9320
Tenure	: Leasehold 99 years expiring on 28 December 2092 and 11 March 2095
Encumbrances	: Charged to Bank Islam Malaysia Berhad
Market Value	: RM10,000,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 27 years



Location	: Premises No. 5, Bangunan Joota Brothers, Jalan Sungai Korok, 06000 Jitra, Kedah
Description	: KFC Restaurant
Year of Completion	: 1992
Title	: HSD17607
Tenure	: Freehold
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM590,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 31 years



Location	: No. 1 & 1-1, Jalan Niaga, 81900 Kota Tinggi, Johor
Description	: Pizza Hut Restaurant
Year of Completion	: 2004
Title	: PN74196
Tenure	: Leasehold 99 years expiring on 14 May 2085
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM1,000,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 19 years

PORTFOLIO SUMMARY AND DETAILS

F&B RESTAURANTS - SHOPHOUSES/OFFICE OUTLETS



Location	: No 3, Jalan Resam 13, Taman Bukit Tiram, 81800 Ulu Tiram Johor
Description	: Pizza Hut Restaurant
Year of Completion	: 2010
Title	: GRN 343903
Tenure	: Freehold
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM1,100,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 13 years



Location	: No. 1, Jalan Bandar Baru 1, Pusat Bandar Baru Ayer Hitam, 86100 Ayer Hitam, Johor
Description	: KFC Restaurant
Year of Completion	: 2011
Title	: PN69846
Tenure	: Leasehold 93 years expiring on 16 July 2101
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM2,500,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 12 years



Location	: Premises No. 1, Jalan Mahajaya, Kawasan Penambakan Laut, Bandar Port Dickson, 71000 Port Dickson, Negeri Sembilan Darul Khusus
Description	: KFC Restaurant
Year of Completion	: 1997
Title	: PN48982
Tenure	: Leasehold 74 years expiring 8 May 2085
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM2,000,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 26 years



Location	: Premises No. 9, Persiaran Putra Timur 1, 02000 Kuala Perlis, Perlis Indera Kayangan
Description	: KFC Restaurant
Year of Completion	: 1996
Title	: PM1181
Tenure	: Leasehold 99 years expiring on 25 September 2092
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM590,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 27 years

PORTFOLIO SUMMARY AND DETAILS

F&B RESTAURANTS - SHOPHOUSES/OFFICE OUTLETS



Location	: Premises Nos.18 & 20, Jalan Sulaiman, 43000, Kajang, Selangor
Description	: KFC Restaurant
Year of Completion	: 1982
Title	: GRN 45688 & GRN 45689
Tenure	: Freehold
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM11,000,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 41 years



Location	: No 12C & 12D, Metrocity Commercial Precinct, Lorong Metrocity Boulevard 3A, 93500 Kuching, Sarawak.
Description	: Pizza Hut Restaurant
Year of Completion	: 2015
Title	: Lot No 14079 & 14080 Section 65, Kuching Town Land District, Sarawak
Tenure	: Leasehold 99 years expiring on 11 August 2113
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM4,300,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 8 years



Location	: Nos 20 & 21, Jalan Dato' Sheikh Ahmad, 70000 Seremban, Negeri Sembilan
Description	: KFC Restaurant
Year of Completion	: 1982
Title	: GRN 50935 & 40542, Lot No 831 & 832 situated in Bandar Seremban, Seremban, Negeri Sembilan
Tenure	: Freehold
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM4,400,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 41 years



Location	: No 65, Jalan Dato On Jaafar, 30300 Ipoh, Perak
Description	: KFC Restaurant
Year of Completion	: 2017
Title	: GRN 40351 Lot 1293 N, situated in Kinta, Ipoh, Perak
Tenure	: Freehold
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM4,000,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 6 years

PORTFOLIO SUMMARY AND DETAILS

F&B RESTAURANTS - SHOPHOUSES/OFFICE OUTLETS



Location	: No. 24 & 26, Jalan Bunga Raya 7, Pusat Perniagaan Senawang, Taman Tasik Jaya, 70400 Senawang, Negeri Sembilan
Description	: KFC Restaurant
Year of Completion	: 1997
Title	: GRN 108899 & 177945, Lot No 4126 & 4125 situated in Pekan Senawang, Seremban, Negeri Sembilan
Tenure	: Freehold
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM1,100,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 26 years



Location	: No. 1 & 1A, Jalan Resam 13, Taman Bukit Tiram, 81800 Ulu Tiram, Johor
Description	: KFC Restaurant
Year of Completion	: 2010
Title	: GRN 343902 situated at Mukim Terbrau, Johor Bahru, Johor
Tenure	: Freehold
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM2,100,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 13 years



Location	: Lot 25, Block 3 Bornion Centre, Jalan Kolam, 88300 Kota Kinabalu, Sabah
Description	: KFC Restaurant
Year of Completion	: 1990
Title	: CL 015437948, situated at Jalan Kolam, Kota Kinabalu, Sabah
Tenure	: Leasehold 999 years expiring on 15 May 2915
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM3,100,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 33 years



Location	: No. 158, Jalan Idris, 31900 Kampar, Perak
Description	: KFC Restaurant
Year of Completion	: 2005
Title	: PN 326743, Lot No 96, situated in Kampar, Perak
Tenure	: Freehold
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM1,700,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 18 years

PORTFOLIO SUMMARY AND DETAILS

F&B RESTAURANTS - SHOPHOUSES/OFFICE OUTLETS



Location	: No. 79, Jalan Dato' Lau Pak Khuan, Ipoh Garden, 31400 Ipoh, Perak
Description	: KFC Restaurant
Year of Completion	: 1971
Title	: GRN 8311 Lot No 48635, situated in Mukim Hulu Kinta, Kinta, Perak
Tenure	: Freehold
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM2,300,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 52 years



Location	: Nos 23 & 24, Jalan 54 Desa Jaya Kepong, 52100 Kepong, Kuala Lumpur
Description	: KFC Restaurant
Year of Completion	: 2017
Title	: PM 12274 & 12273, Lot 2430 & 2429, situated at Batu 8 Jalan Kepong, Gombak, Selangor
Tenure	: Leasehold 99 years expiring on 8 March 2081
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM7,300,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 6 years



Location	: No 140, Jalan Raja Laut, 50350 Kuala Lumpur
Description	: KFC Restaurant
Year of Completion	: 2014
Title	: GRN 59853, 59858 & 59862, Lot No 1417, 1419 & 1421, situated in Kuala Lumpur, Federal Territory of Kuala Lumpur
Tenure	: Freehold
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM4,800,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 9 years



Location	: No 437, Wisma Hualang, Jalan Ipoh, 51200 Kuala Lumpur
Description	: KFC Restaurant
Year of Completion	: 2014
Title	: GRN 10894, Lot No 503 Section 83, situated in Kuala Lumpur, Federal Territory of Kuala Lumpur
Tenure	: Freehold
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM10,300,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 9 years

PORTFOLIO SUMMARY AND DETAILS

F&B RESTAURANTS - SHOPHOUSES/OFFICE OUTLETS



Location	: No 9, Jalan PPM 9, Plaza Malim Business Park, 75250 Balai Panjang, Melaka
Description	: KFC Restaurant
Year of Completion	: 1997
Title	: PN 18632, Lot No 4111 situated in Mukim Balai Panjang, Melaka Tengah, Melaka
Tenure	: Leasehold 99 years expiring on 7 May 2099
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM1,200,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 26 years



Location	: No 2105 Jalan 3/1, Bandar Baru Sungai Buloh, 47000 Sungai Buloh, Selangor
Description	: KFC Restaurant
Year of Completion	: 1989
Title	: HSM 5744 Jalan 3/1, Bandar Baru Sungai Buloh, Selangor
Tenure	: Leasehold 99 years expiring on 13 March 2087
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM1,900,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 34 years

F&B RESTAURANTS - DRIVE THROUGH OUTLETS



Location	: No. 555 Plaza Melaka, Jalan Hang Tuah, 75300 Melaka
Description	: KFC Restaurant
Year of Completion	: 2015
Title	: Geran 8562, Lot 966, Kawasan Bandar VII, Daerah Melaka Tengah, Melaka
Tenure	: Freehold
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM2,400,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 8 years



Location	: No. 10 A, Lot No. 559 Seksyen 5, Jalang Masjid Negeri, 11500 Georgetown, Pulau Pinang
Description	: KFC Restaurant with drive through facility
Year of Completion	: 2017
Title	: No. GRN 23532, Bandar Georgetown, District of Timor Laut, State of Pulau Pinang.
Tenure	: Freehold
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM26,000,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 6 years

PORTFOLIO SUMMARY AND DETAILS

F&B RESTAURANTS - DRIVE THROUGH OUTLETS



Location	: No. 5, Jalan Persiaran Jaya 1, Taman Mutiara Rini, 81300 Skudai, Johor
Description	: KFC Restaurant with drive through facility
Year of Completion	: 2015
Title	: No. PN 64752, Lot 150752 Mukim of Pulai, District of Johor Bahru, State of Johor
Tenure	: 991 years leasehold expired on 4th September 2911
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM9,400,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 8 years



Location	: Lot 383044, Jalan Kuala Kangsar, Taman Tasek Mutiara, 31400 Ipoh, Perak
Description	: Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility
Year of Completion	: 2011
Title	: GRN 140646, Mukim of Hulu Kinta, District of Kinta, Ipoh Perak
Tenure	: Freehold
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM9,200,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 12 years



Location	: Lot 14083, Jalan Kuchai Lama, 58200 Kuala Lumpur
Description	: Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility
Year of Completion	: 2008
Title	: PN1421 Mukim of Petaling, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Tenure	: Leasehold 99 years expiring on 8 February 2064
Encumbrances	: Charged to Bank Islam Malaysia Berhad
Market Value	: RM14,600,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 15 years



Location	: Lot 59060, Jalan Prima 1, Metro Prima, Off Jalan Kepong, 52100 Kuala Lumpur
Description	: Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility
Year of Completion	: 2005
Title	: PN33135, Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Tenure	: Leasehold 96 years expiring on 28 April 2096
Encumbrances	: Charged to RHB Islamic Bank Berhad
Market Value	: RM18,300,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 18 years

PORTFOLIO SUMMARY AND DETAILS

F&B RESTAURANTS - DRIVE THROUGH OUTLETS



Location	: Lot No. PT 6878, Jalan 8/27A, Bandar Baru Wangsa Maju, 53300 Kuala Lumpur
Description	: Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility
Year of Completion	: 2004
Title	: HS (D) 99750, Mukim of Setapak, District of Kuala Lumpur, Wilayah Persekutuan, Kuala Lumpur
Tenure	: Leasehold 83 years expiring on 19 April 2083
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM29,500,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 19 years



Location	: Lot 19838, Lebuhraya Ayer Keroh, 75450 Hang Tuah Jaya, Melaka Bandaraya Bersejarah
Description	: Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility
Year of Completion	: 2012
Title	: PM 4878 situated in Mukim Bukit Katil, Daerah Melaka Tengah
Tenure	: Leasehold 99 years expiring on 13 May 2108
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM10,700,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 11 years



Location	: PTD 153154, Jalan Tampoi, Taman Damansara Aliff, 81200 Johor Bahru
Description	: Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility
Year of Completion	: 2009
Title	: HSD 491589, PTD 153154 situated in Mukim Tebrau, Daerah Johor Bahru, Johor
Tenure	: Freehold
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM13,000,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 14 years



Location	: PTD 103231, Taman Impian Senai, 81400 Senai, Johor
Description	: KFC Restaurant with Drive Through Facility
Year of Completion	: 2014
Title	: HS(D) 58402 Mukim of Senai, District of Kulai, Johor
Tenure	: Freehold
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM10,600,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 9 years

PORTFOLIO SUMMARY AND DETAILS

F&B RESTAURANTS - DRIVE THROUGH OUTLETS



Location	: PTD No 171459, Jalan Persisiran Perling, Taman Perling, 81200 Johor Bahru, Johor
Description	: Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility
Year of Completion	: 2009
Title	: GM 2913, Mukim of Pulai, 81200 Johor Bahru, Johor
Tenure	: Freehold
Encumbrances	: Charged to Bank Islam Malaysia Berhad
Market Value	: RM15,100,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 14 years



Location	: PT2281, Jalan Kuala Ketil, Bandar Puteri Jaya, 08000 Sungai Petani, Kedah
Description	: KFC Restaurant with drive through facility
Year of Completion	: 2012
Title	: HS (D)125211, Bandar Sri Petani, District of Kuala Muda, Kedah
Tenure	: Freehold
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM6,100,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 11 years



Location	: Lot 207318, KFC Restaurant Seri Alam DT, Jalan Suria 1, Bandar Seri Alam, 81700 Johor Bahru
Description	: KFC Restaurant with drive through facility
Year of Completion	: 2016
Title	: GRN 542913, situated at Mukim Plentong, Bandar Seri Alam, Johor Bahru
Tenure	: Freehold
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM8,900,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 7 years



Location	: Lot No 22529, Jalan Bertam, Mukim 6, Kepala Batas, Seberang Perai Utara, Pulau Penang
Description	: Pizza Hut Restaurant and KFC Restaurant with drive through facility
Year of Completion	: 2017
Title	: GRN 181184, Lot No 22529, situated at Mukim 06, Seberang Perai Utara, Pulau Penang
Tenure	: Freehold
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM7,900,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 6 years

PORTFOLIO SUMMARY AND DETAILS

F&B RESTAURANTS - DRIVE THROUGH OUTLETS



Location	: PT No. 5665, Persiaran Taman Tasik Prima 3, Taman Tasik Prima, 47100 Puchong, Selangor Darul Ehsan
Description	: Pizza Hut Restaurant and KFC Restaurant with drive through facility
Year of Completion	: 2016
Title	: HSD 256439 Pekan Puchong Perdana, District of Petaling, Selangor
Tenure	: Leasehold 99 years expiring on 28 May 2108
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM15,300,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 7 years



Location	: Lot 33693, KFC Seremban 2 Drive Through & Pizza Hut, Central Business District, 70300 Seremban 2, Negeri Sembilan
Description	: Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility
Year of Completion	: 2014
Title	: Geran 175308, Lot 33693, Bandar Seremban Utama, Daerah Seremban, Negeri Sembilan
Tenure	: Freehold
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM8,700,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 9 years



Location	: Premises No. PT 4294, Jalan Jasin-Merlimau, Bandar Baru Merlimau Utara, 77300 Merlimau, Melaka
Description	: KFC Restaurant with drive through facility
Year of Completion	: 2019
Title	: PM1917, Mukim of Merlimau District of Jasin, Melaka
Tenure	: Leasehold 99 years expiring on 1 April 2111
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM4,600,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 4 years

F&B RESTAURANTS - MALL OUTLETS



Location	: Unit No. GF-12A, Queensbay Mall, 100, Persiaran Bayan Indah, 11900 Bayan Lepas, Pulau Pinang
Description	: KFC Restaurant with drive through facility
Year of Completion	: 2008
Title	: GRN 97433/M1/1/126 Lot 15736, Mukim 12, District of Barat Daya, Pulau Pinang
Tenure	: Freehold
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM15,300,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 15 years

PORTFOLIO SUMMARY AND DETAILS

F&B RESTAURANTS - MALL OUTLETS



Location	: Unit No. 3A-G-18, Kompleks Bukit Jambul, Jalan Rumbia, 11900 Bayan Lepas, Pulau Pinang
Description	: KFC Restaurant
Year of Completion	: 1997
Title	: Parent Title no. GRN 166071, Lot 20306, Mukim 13, District of Timur Laut, Pulau Pinang
Tenure	: Freehold
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM3,500,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 26 years

Location	: Unit No. G-103, Megamall Pinang Shopping Complex, No. 2828, Jalan Baru, Bandar Perai Jaya, 13700 Perai, Pulau Pinang
Description	: KFC Restaurant
Year of Completion	: 1998
Title	: GRN 166213, Mukim1, District of Seberang Perai Tengah, Pulau Pinang
Tenure	: Freehold
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM2,550,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 25 years

INDUSTRIAL & OTHERS - INDUSTRIAL PREMISES



Location	: Premises No.6 Lorong Gerudi 1, Off Jalan Pelabuhan Utara, 42000 Pelabuhan Klang, Selangor
Description	: Factory/Warehouse
Year of Completion	: 2011
Title	: PN 8616, Bandar Port Swettenham, District of Klang, Selangor
Tenure	: Leasehold 99 years expiring on 15 March 2087
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM30,000,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 12 years

Location	: Premises No. 31, Lorong IKS Juru 3, Taman IKS Juru, 14100 Simpang Ampat, Pulau Pinang
Description	: Commissary
Year of Completion	: 1997
Title	: GRN 149808, Mukim 13, District of Seberang Perai Tengah, Pulau Pinang
Tenure	: Freehold
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM1,600,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 26 years

PORTFOLIO SUMMARY AND DETAILS

INDUSTRIAL & OTHERS - INDUSTRIAL PREMISES



Location	: No. 17,19 & 21, Jalan Pemaju U1/15, Hicom Glenmarie Industrial Park. Section U1, 40150 Shah Alam, Selangor
Description	: Factory
Year of Completion	: 1998
Title	: GRN 215115
Tenure	: Freehold
Encumbrances	: Charged to Bank Islam Malaysia Berhad
Market Value	: RM66,100,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 25 years



Location	: Lot 5, Lorong Tembaga 3, Kawasan MIEL, KKIP Selatan, Kota Kinabalu Industrial Park, Menggatal, Kota Kinabalu, Sabah
Description	: Factory/Warehouse
Year of Completion	: 1999
Title	: County Lease 015680663, District of Kota Kinabalu
Tenure	: Leasehold 99 years expiring on December 2096
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM3,000,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 24 years



Location	: No 43A, Wisma KFC Sabah, Lorong Karamuning C, 88000 Kota Kinabalu, Sabah
Description	: KFC Warehouse
Year of Completion	: 1989
Title	: Lot No 015319892, situated in Kota Kinabalu Sabah
Tenure	: Leasehold 999 years commencing from 22 January 2901
Encumbrances	: Charged to CIMB Islamic Bank Berhad
Market Value	: RM4,800,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 34 years



Location	: Premises No.3 Lorong Gerudi 1, Off Jalan Pelabuhan Utara, 42000 Pelabuhan Klang, Selangor
Description	: Warehouse
Year of Completion	: 1996
Title	: PN 11243, Bandar Port Swettenham, District of Klang, Selangor
Tenure	: Leasehold 99 years expiring on 15 March 2087
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM51,500,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 27 years

PORTFOLIO SUMMARY AND DETAILS

INDUSTRIAL & OTHERS - KPJ INTERNATIONAL COLLEGE OF NURSING AND HEALTH SCIENCES



Location	: No 1, Jalan Dato' Onn 1, Bandar Dato' Onn, 81100 Johor Bahru, Johor
Description	: 4-Storey Institutional Building
Year of Completion	: 2010
Title	: HS (D) 53995, Mukim Tebrau Johor Bahru, Johor
Tenure	: Freehold
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM36,200,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 13 years

OFFICE - MENARA KOMTAR



Location	: Menara KOMTAR, Johor Bahru City Centre, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor
Description	: A 25-Storey Office Building
Year of Completion	: 1979
Title	: Grant 44587
Tenure	: Freehold
Encumbrances	: Charged to Malaysian Trustees Berhad
Market Value	: RM70,000,000
Date of Latest Valuation	: 31 December 2023
Age of Property	: 44 years

ANALYSIS OF UNITHOLDINGS

UNITHOLDINGS STATISTICS AS OF 29 DECEMBER 2023

BREAK DOWN OF UNITHOLDINGS

TOTAL NUMBER OF UNITS ISSUED : 580,000,000 UNITS

Size Of Unitholdings	Holders	%	Units	%
Less Than 100	290	3.67	11,881	-
100 – 1000	3,678	46.50	2,014,918	0.35
1,001 – 10,000	3,333	42.14	10,455,274	1.80
10,001 – 100,000	540	6.83	14,283,703	2.47
100,001 To Less Than 5% Of Issued Capital	64	0.81	120,771,506	20.82
5% And Above Of Issued Capital	4	0.05	432,462,718	74.56
Total	7,909	100.00	580,000,000	100.00

TOP THIRTY SECURITIES ACCOUNT HOLDERS

(Without Aggregating the Securities from Different Securities Accounts Belonging to the Same Depositor)

Name	Units	%
1 Damansara Assets Sdn Bhd	243,805,626	42.03
2 Tabung Amanah Warisan Negeri Johor	96,153,900	16.58
3 Waqaf An-Nur Corporation Berhad	57,769,401	9.96
4 Maju Noms (T) Sdn Bhd - A/C Pledged Securities Accounts for Damansara Assets Sdn Bhd	34,733,791	5.99
5 Kulim (Malaysia) Berhad	27,060,600	4.67
6 Johor Corporation	24,436,600	4.21
7 Pelaburan Hartanah Berhad	20,000,000	3.45
8 Lembaga Tabung Haji	16,859,100	2.91
9 Cartaban Noms (T) Sdn Bhd - A/C Standard Chartered Saadiq Bhd Scbmb Trustee for Muamalat 1	13,293,400	2.29
10 KPJ Healthcare Berhad	2,000,000	0.34
11 Maybank Noms (T) Sdn Bhd - A/C Kong Yee Wong	1,771,200	0.31
12 Johor Land Berhad	1,499,500	0.26
13 Chu Leong Lam	800,000	0.14
14 Chong Teck Seng	657,400	0.11
15 CIMB Group Noms (T) Sdn Bhd - A/C Exempt An for CIMB Bank Bhd (Dana Johor)	604,311	0.10
16 Public Noms (T) Sdn Bhd - A/C Pledged Securities Account for Tay Chun Gee (E-Klc)	600,000	0.10
17 Tenh Hong Way	600,000	0.10
18 Abdul Rahim bin Bidin	591,500	0.10
19 Maybank Secs Noms (T) Sdn Bhd - A/C Malayan Banking Berhad for Pelaburan Johor Berhad (MBB Dana Johor)	520,501	0.09
20 Ong Ah How @ Ong Beng Hwa	490,700	0.08
21 Lim Yaw Yeu	430,800	0.07
22 Ng Kim Yuen	408,100	0.07
23 Weng Hua Machinery Hardware Sdn Bhd	350,000	0.06
24 Boon Hin Pow	341,100	0.06
25 Kwan Chee Tong	304,600	0.05
26 Citigroup Noms (A) Sdn Bhd - A/C Sbl Exempt An for UBS AG	300,000	0.05
27 Kumpulan Bertam Plantations Berhad	296,000	0.05
28 Chong Kon Ling	283,700	0.05
29 Maybank Noms (T) Sdn Bhd - A/C Pledged Securities Account for Sharulazam bin Sahlan	283,200	0.05
30 Kenanga Noms (T) Sdn Bhd - A/C Gan Wee Yong	280,000	0.05

ANALYSIS OF UNITHOLDINGS

UNITHOLDINGS STATISTICS AS OF 29 DECEMBER 2023

SUBSTANTIAL UNITHOLDERS (5% AND ABOVE)

		Direct		Indirect	
		Units	%	Units	%
1	Johor Corporation	24,436,600	4.21	309,403,205 ¹	53.35
2	Damansara Assets Sdn Bhd	278,539,417	48.02		
	- Damansara Assets Sdn Bhd	243,805,626		-	-
	- Maju Noms (T) Sdn Bhd - A/C Pledged Securities Accounts for Damansara Assets Sdn Bhd	34,733,791			
3	Tabung Amanah Warisan Negeri Johor	96,153,900	16.58	-	-
4	Waqaf An-Nur Corporation Berhad	57,769,401	9.96	-	-

Note: ¹ Deemed interested by virtue of its interest in Damansara Assets Sdn Bhd, Kulim (Malaysia) Berhad, KPJ Healthcare Berhad, Johor Land Berhad, Kumpulan Bertam Plantation Berhad and Tenaga Utama (J) Berhad under Section 8 of the Companies Act, 2016

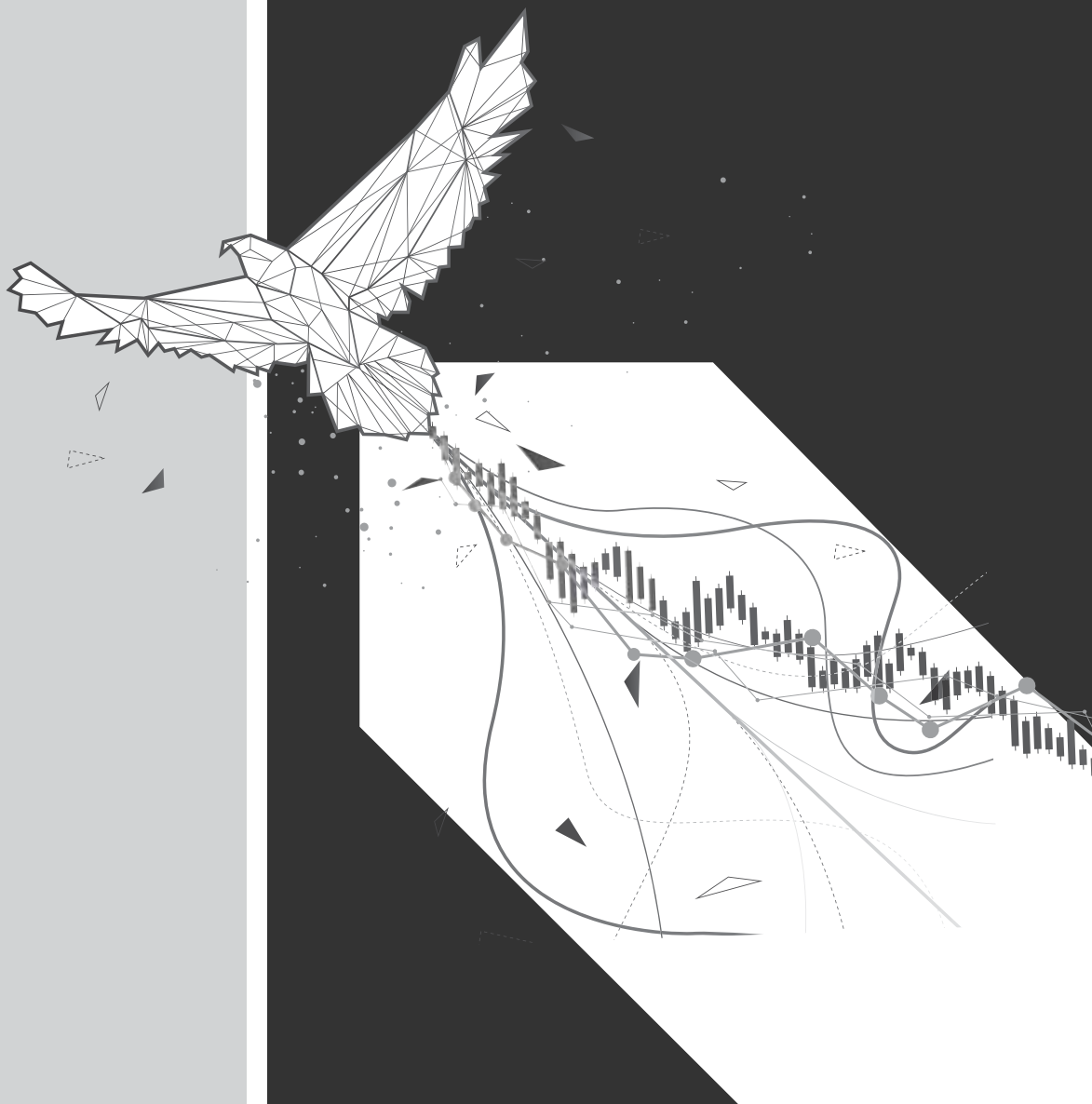
UNIT ANALYSIS AS OF 29 DECEMBER 2023

	TOTAL		BUMIPUTRA		NON - BUMIPUTRA		FOREIGN	
	Holders	Units	Holders	Units	Holders	Units	Holders	Units
Government Bodies	2	120,590,500	2	120,590,500	-	-	-	-
Finance	1	16,859,100	1	16,859,100	-	-	-	-
Investment Trust	2	8,140	1	740	1	7,400	-	-
Nominees	572	56,762,866	175	50,631,958	385	5,622,008	12	508,900
Private Limited Company								
- Retail Body Corporates	13	244,330,081	4	243,853,561	9	476,520	-	-
- Insti-Body Corporate	-	-	-	-	-	-	-	-
Limited Company								
- Retail Body Corporates	7	108,643,751	7	108,643,751	-	-	-	-
- Insti-Body Corporate	-	-	-	-	-	-	-	-
Clubs / Association	3	23,686	2	20,726	1	2,960	-	-
Co-Operatives	14	362,169	11	302,275	3	59,894	-	-
Others	1	9	-	-	1	9	-	-
Individual	7,294	32,419,698	1,574	6,367,143	5,689	25,578,027	31	474,528
Total	7,909	580,000,000	1,777	547,269,754	6,089	31,746,818	43	983,428
%	100.00	100.00	22.47	94.36	76.99	5.47	0.54	0.17

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SECTION 06

FINANCIAL STATEMENTS



MANAGER'S REPORT

The Manager of Al-Salām Real Estate Investment Trust (the "Fund"), Damansara REIT Managers Sdn Berhad (the "Manager") have pleasure in presenting their report and the audited financial statements of the Group and of the Fund for the financial year ended 31 December 2023.

Results

	Group 2023 RM	Fund 2023 RM
Profit for the year	21,702,044	21,461,698

Income distributions

Since the end of the previous financial year, the amounts of dividends paid by the Fund were as follows:

	Fund 2023 RM
In respect of the financial year ended 31 December 2022 as reported in the directors' report of that year:	
Final income distribution of 1.50 sen per unit on 580,000,000 units, paid on 28 February 2023	8,699,805
In respect of the financial year ended 31 December 2023 as reported in the directors' report of current year:	
First interim income distribution of 0.40 sen per unit on 580,000,000 units, paid on 10 July 2023	2,319,988
Second interim income distribution of 0.40 sen per unit on 580,000,000 units, paid on 2 October 2023	2,319,988
Third interim income distribution of 0.30 sen per unit on 580,000,000 units, paid on 27 December 2023	1,739,976
	15,079,757

A final income distribution in respect of the financial year ended 31 December 2023, of 0.10 sen per unit on 580,000,000 units amounting to an income distribution payable of RM580,000 will be payable on 29 February 2024.

The financial statements for the current year do not reflect this final income distribution. Such income distribution will be accounted for in equity as an appropriation of profits in the financial year ending 31 December 2024.

The Fund and its investment objective

The Fund is a Malaysia-based real estate and investment trust established pursuant to the execution of a Trust Deed dated 26 March 2015 between the Fund, the Manager and AmanahRaya Trustees Berhad (the "Trustee"). The said Trust Deed was registered with the Securities Commission Malaysia on 30 March 2015 which is the Fund's establishment date. The Fund was listed on the Main Market of Bursa Malaysia Securities Berhad on 29 September 2015.

On 6 June 2019, at the Extraordinary General meeting the unitholders of the Fund has approved the proposed amendments and consolidation of the Trust Deed into Restated Trust Deed was executed and lodged on 25 November 2019 with the Securities Commission Malaysia. The Fund will continue its operations until such time as determined by the Trustee and the Manager as provided under the provision of the Restated Trust Deed (the "Deed").

MANAGER'S REPORT

The Fund and its investment objective (cont'd)

The Fund's key objective is to provide unitholders with regular and stable income distributions, sustainable long term unit prices and distributable income and capital growth, while maintaining an appropriate capital structure.

The principal activity of the subsidiary is as a special-purpose company for the purpose of raising Islamic financing for Al-Salām Real Estate Investment Trust.

This objective is sought to be achieved by optimising the performance and enhancing the overall quality for a large and geographically diversified portfolio of Shariah-compliant real estate assets through various permissible investment and business strategies.

The Manager and its principal activity

The Manager is a company incorporated in Malaysia and is a wholly-owned subsidiary of Damansara Assets Sdn Bhd, a company incorporated in Malaysia. The directors of the Manager consider Johor Corporation as the ultimate holding corporation of the Manager, a body corporate established under the Johor Corporation Enactment No. 4, 1968 (as amended by Enactment No. 5, 1995).

The principal activity of the Manager is that of managing real estate investment trusts. There has been no significant change in the nature of the principal activity during the financial year.

Manager's investment strategies and policies

The Fund is authorised to invest in real estate, special-purpose-vehicles ("SPVs"), real estate-related assets, non-real estate-related assets, cash, Shariah-compliant deposits, Islamic money market instruments and any other investments not specified above but specified as a permissible investment in the Guidelines on Real Estate Investment Trust (the "REIT Guidelines") and the Guidelines for Islamic Real Estate Investment Trust (the "Islamic REIT Guidelines") as issued by the Securities Commission Malaysia or as otherwise permitted by the Securities Commission Malaysia.

To achieve the Fund's primary objective, the Manager will seek to achieve the following strategies:

(a) Active asset management strategy

The Manager will seek to optimise the rental rates, occupancy rates and Net Lettable Area ("NLA") of the Fund's properties in order to improve the returns from the Fund's property portfolio.

(b) Acquisition growth strategy

The Manager will source for and acquire properties that fit within the Fund's investment strategy to enhance returns to unitholders and to capitalise on opportunities for future income and net asset value growth.

(c) Capital and risk management strategy

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

The investments of the Fund are subject to the following investment limits imposed by the REIT Guidelines:

- (a) at least 50% of the Fund's total asset value must be invested in real estate assets at all times; and
- (b) not more than 25% of the Fund's total asset value may be invested in non-real estate-related assets and/or cash, Shariah-compliant deposits and Islamic money market instruments,

MANAGER'S REPORT

Manager's investment strategies and policies (cont'd.)

The investments of the Fund are limited to instruments in both real estate-related assets and non-real estate-related assets as follows:

- (a) the value of the Fund's investments in securities issued by any single issuer must not exceed 5% of the Fund's total asset value;
- (b) the value of the Fund's investment in securities issued by any group of companies must not exceed 10% of the Fund's total asset value; and
- (c) the Fund's investment in any class of securities must not exceed 10% of the securities issued by any single issuer; or

Such other limits and investments as may be permitted by the Securities Commission Malaysia or the REIT Guidelines.

Directors of the Manager

The directors of the Manager in office since the beginning of the financial year and to the date of this report are:

Dato' Haji Mohd Redza Shah bin Abdul Wahid
 Shamsul Anuar bin Abdul Majid
 Datuk Sr. Akmal bin Ahmad
 Abdullah bin Abu Samah
 Datuk Hashim bin Wahir
 Ng Yan Chuan
 Lailatul Azma binti Abdullah
 Dato' Wan Kamaruzaman bin Wan Ahmad
 Dato' Haji Salehuddin bin Hassan

(Resigned on 5 January 2024)

(Resigned on 9 January 2024)

Directors of the Manager's benefits

Since the end of the previous financial year, no director of the Manager has received or become entitled to receive any benefit (other than benefits which accrue from the fee paid to the Manager or from transactions made with companies related to the Manager) by reason of a contract made by the Manager or the Fund or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither at the end of the financial year, nor at any time during that period, did there subsist any arrangement to which the Manager of the Fund is a party, with the object or objects of enabling the directors of the Manager to acquire benefits by means of the acquisition of units in or debentures of the Fund or any other body corporate.

Directors of the Manager's interests

According to the Register of Directors' Unitholdings kept by the Manager under Section 59 of the Companies Act 2016, the interests of the Directors of the Manager in office at the end of the financial year in units of the Fund and its related corporations during the financial year were as follows:

	← Number of ordinary shares →			
	At 1.1.2023	Acquired	Sold	At 31.12.2023
Al-Salām Real Estate Investment Trust				
Dato' Haji Salehuddin bin Hassan	9,125	-	-	9,125

None of the other Directors of the Manager in office at the end of the financial year had any interest in units of the Fund and of its related corporations during and at the end of the financial year.

MANAGER'S REPORT

Manager's remuneration

Pursuant to the Deed dated 25 November 2019, the Manager is entitled to receive from the Fund:

- (a) A base management fee of up to 1% per annum of total asset value (excluding cash and bank balances) of the Fund calculated on a monthly accrual basis;
- (b) An acquisition fee of 1% of the transaction value (being the total purchase price) of any investment property directly or indirectly acquired from time to time by the Trustee for and on behalf of the Fund pro-rated, if applicable, to the proportion of the Fund's interest and payable to the Manager upon completion of the acquisition of the investment property; and
- (c) A disposal fee of 0.5% of the transaction value (being the total sales price) of any investment property directly or indirectly sold from time to time by the Trustee for and on behalf of the Fund pro-rated, if applicable, to the proportion of the Fund's interest and payable to the Manager upon completion of the disposal of the investment property.

Soft commission

During the year, the Manager did not receive any soft commission from its broker, by virtue of transactions conducted by the Fund.

Reserves and provision

There was no material transfer to and from reserves or provisions during the year, other than those as disclosed in the statement of changes in net asset value.

Holding company and corporation

The immediate holding company is Damansara Assets Sdn Bhd. The ultimate holding corporation is Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4, 1968 (as amended by the Enactment No. 5, 1995). Both holding company and corporation are incorporated in Malaysia.

Other statutory information

- (a) Before the statements of comprehensive and statements of financial position of the Group and the Fund were made out, the Manager took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were 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 might be expected so to realise.

MANAGER'S REPORT

Other statutory information (cont'd.)

- (b) At the date of this report, the Manager is not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Fund inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Fund misleading.
- (c) At the date of this report, the Manager is not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Fund misleading or inappropriate.
- (d) At the date of this report, the Manager is not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Fund which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Fund which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group and of the Fund which has arisen since the end of the financial year.
- (f) In the opinion of the Manager:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Fund to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Fund for the financial year in which this report is made.
- (g) As of 31 December 2023, the current liabilities of the Group and the Fund have exceeded the current assets by RM65,123,370 and RM69,877,704 respectively. In the opinion of the Manager, the Group will be able to meet their obligations and liabilities as and when they fall due on the basis that the Group will be able to repay their borrowings when it matures.

As at the reporting date, the Group has submitted a letter to request for extension of the facility tenure of borrowing of RM118,000,000 for a further 2 years. As at the date of the financial statements, the Group is confident in obtaining the approval for the extension of tenure for repayment of borrowing for a further 2 years before maturity date on 24 March 2024.

MANAGER'S REPORT

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM	Fund RM
Audit fees		
- Current year	240,000	215,000
- Other service	350,000	350,000
	<hr/> 590,000	<hr/> 565,000

To the extent permitted by law, the Manager of the Fund has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board of the Manager in accordance with a resolution of the directors of the Manager dated 22 February 2024.

Dato' Haji Mohd Redza Shah bin Abdul Wahid

Abdullah bin Abu Samah

STATEMENT BY THE DIRECTORS OF THE MANAGER

We, Dato' Haji Mohd Redza Shah bin Abdul Wahid and Abdullah bin Abu Samah, being two of the directors of Damansara REIT Managers Sdn Berhad (the "Manager"), do hereby state that, in the opinion of the Manager, the financial statements of Al-Salām Real Estate Investment Trust (the "Fund") set out on pages 195 to 242 are drawn up in accordance with applicable provisions of the Deed dated 25 November 2019, Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Fund as at 31 December 2023 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board of the Manager in accordance with a resolution of the directors of the Manager dated 22 February 2024

Dato' Haji Mohd Redza Shah bin Abdul Wahid

Abdullah bin Abu Samah

STATUTORY DECLARATION

I, Raja Nazirin Shah bin Raja Mohamad, being the officer of the Manager primarily responsible for the financial management of Al-Salām Real Estate Investment Trust, do solemnly and sincerely declare that the accompanying financial statements set out on pages 195 to 242 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Raja Nazirin Shah bin Raja Mohamad
at Kuala Lumpur in the Federal Territory on 22 February 2024

Raja Nazirin Shah bin Raja Mohamad

Before me,

Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF AL-SALĀM REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARY (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al-Salām Real Estate Investment Trust (the "Fund"), which comprise the statements of financial position as at 31 December 2023 of the Group and of the Fund, and statements of comprehensive income, statements of changes in net asset value and statements of cash flows of the Group and of the Fund for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 195 to 242.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Fund as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting 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 report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the 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 matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Fund for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Fund as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Valuation of investment properties

The Group and the Fund adopt fair value model for their investment properties. As at 31 December 2023, the carrying amount of the Group's and the Fund's investment properties is RM1,239,013,706 which represents 94% of the Group's and 95% of the Fund's total assets.

We have identified this as an important area of our audit given the significance of the investment properties and the complex valuation method which is based on assumptions that are highly judgmental.

Our audit procedures focused on the valuations performed by firms of independent valuers, which included, amongst others, the following procedures:

- We considered the objectivity, independence and expertise of the firms of independent valuers;
- We obtained an understanding of the methodology adopted by the independent professional valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF AL-SALĀM REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARY
(INCORPORATED IN MALAYSIA)

Valuation of investment properties (cont'd.)

- We had discussions with the independent professional valuers to obtain an understanding of the property related data used as input to the valuation models which included, amongst others, rental income data, yield rate and discount rate;
- We tested the accuracy of rental income data applied in the valuation by comparing them with lease agreements and challenged yield rate by comparing them with available industry data, taking into consideration comparability and market factors;
- We assessed whether the discount rate used to determine the present value of the cash flows reflects the estimated market rate of return for comparable assets with similar profile; and
- We also evaluated the Group's and the Fund's disclosures on those assumptions to which the outcome of the valuation is most sensitive. The disclosures on the valuation sensitivity and significant assumptions used are included in Note 3.2 and 10 to the financial statements.

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Fund and our auditors' report thereon.

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

In connection with our audit of the financial statements of the Group and of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

Responsibilities of the Manager and Trustee for the financial statements

The Manager of the Fund is responsible for the preparation of financial statements of the Group and of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determine is necessary to enable the preparation of financial statements of the Group and of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Fund, the Manager is responsible for assessing the Group's and the Fund'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 intend to liquidate the Group or the Fund or to cease operations, or have no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Fund 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.

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF AL-SALĀM REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARY
(INCORPORATED IN MALAYSIA)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and the Fund, 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 Group's and the Fund's internal control.
- 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 the Group's or the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and the Fund 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 auditors' report. However, future events or conditions may cause the Group and the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and the Fund, including the disclosures, and whether the financial statements of the Group and the Fund represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. 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 the Group and of the Fund 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.

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF AL-SALĀM REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARY
(INCORPORATED IN MALAYSIA)

Other matters

This report is made solely to the unitholders of the Fund, as a body, in accordance with the Securities Commission's Guidelines on Real Estate Investment Trusts in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Mimie Joanna Binti Johar
03592/09/2025 J
Chartered Accountant

Kuala Lumpur, Malaysia
22 February 2024

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	Group 2022 RM	2023 RM	Fund 2022 RM
Gross rental income	4	69,467,053	67,901,145	69,467,053	67,901,145
Other income	5	6,815,766	3,898,915	6,815,766	3,898,915
Total revenue		76,282,819	71,800,060	76,282,819	71,800,060
Utilities expenses		(8,517,206)	(5,720,275)	(8,517,206)	(5,720,275)
Maintenance expenses		(4,281,527)	(3,523,145)	(4,281,527)	(3,523,145)
Quit rent and assessment		(1,952,108)	(1,744,939)	(1,952,108)	(1,744,939)
Property manager fee		(481,300)	(476,400)	(481,300)	(476,400)
Other property expenses		(10,142,258)	(8,896,680)	(10,142,258)	(8,896,680)
Total property expenses		(25,374,399)	(20,361,439)	(25,374,399)	(20,361,439)
Net property income		50,908,420	51,438,621	50,908,420	51,438,621
Investment income	6	935,781	511,630	935,781	511,630
Net fair value gain on investment properties	10	12,582,560	46,674,736	12,582,560	46,674,736
Total investment income		13,518,341	47,186,366	13,518,341	47,186,366
Net investment income		64,426,761	98,624,987	64,426,761	98,624,987
Finance costs on loan:					
- Finance costs charged by financing institution		(34,550,046)	(26,629,136)	(9,851,242)	(7,474,053)
- Finance costs from a subsidiary		-	-	(24,698,804)	(19,155,083)
- Imputed finance costs		(1,942,197)	(1,747,164)	(1,942,197)	(1,747,164)
Allowance for expected credit losses of trade receivables	13	(1,500,000)	(142,646)	(1,500,000)	(142,646)
Allowance for expected credit loss on amount due from a subsidiary		-	-	(269,089)	(302,800)
Manager fees		(2,589,740)	(2,461,404)	(2,589,740)	(2,461,404)
Trustee fees		(127,741)	(117,207)	(127,741)	(117,207)
Audit fees					
- Current year		(240,000)	(220,000)	(215,000)	(195,000)
- Other services		(350,000)	(50,000)	(350,000)	(50,000)
Valuation fees		(378,000)	(540,000)	(378,000)	(540,000)
Other expenses		(865,428)	(716,300)	(861,685)	(707,824)
Total fund expenses		(42,543,152)	(32,623,857)	(42,783,498)	(32,893,181)
Profit before tax		21,883,609	66,001,130	21,643,263	65,731,806
Tax expense	7	(181,565)	(585,081)	(181,565)	(585,081)
Profit for the year, representing total comprehensive income for the year		21,702,044	65,416,049	21,461,698	65,146,725

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group		Fund	
		2023 RM	2022 RM	2023 RM	2022 RM
Total comprehensive income for the year					
Realised		7,571,408	15,733,218	7,600,151	15,766,694
Unrealised:		14,130,636	49,682,831	13,861,547	49,380,031
Unbilled rental income	4	3,229,641	3,593,176	3,229,641	3,593,176
Net fair value gain on investment properties	10	12,582,560	46,674,736	12,582,560	46,674,736
Tax expense	7	(181,565)	(585,081)	(181,565)	(585,081)
Allowance for expected credit loss on amount due from receivables		(1,500,000)	-	(1,500,000)	-
Allowance for expected credit loss on amount due from a subsidiary		-	-	(269,089)	(302,800)
		21,702,044	65,416,049	21,461,698	65,146,725
Earnings per unit	8				
Basic		3.74	11.28		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 RM	Group 2022 RM	2023 RM	Fund 2022 RM
Assets					
Non-current assets					
Investment properties	10	1,239,013,706	1,224,173,346	1,239,013,706	1,224,173,346
Equipment	11	868,564	802,663	868,564	802,663
Investment in a subsidiary	12	-	-	2	2
Other receivables	13(b)	928,267	-	928,267	-
		1,240,810,537	1,224,976,009	1,240,810,539	1,224,976,011
Current assets					
Trade receivables	13(a)	28,187,778	28,300,825	28,187,778	28,300,825
Other receivables and prepaid expenses	13(b)	6,685,143	6,406,911	6,671,171	6,381,769
Amount due from immediate holding company	13(c)	19,937	26,373	19,937	26,373
Amount due from related companies	13(d)	1,520,234	1,135,992	1,520,234	1,135,992
Amount due from related subsidiary		-	-	161,276	-
Cash and bank balances	14	38,837,380	44,267,627	31,078,845	38,608,715
		75,250,472	80,137,728	67,639,241	74,453,674
Total assets		1,316,061,009	1,305,113,737	1,308,449,780	1,299,429,685
Total unitholders' fund and liabilities					
Unitholders' fund					
Unitholders' capital	18	572,545,319	572,545,319	572,545,319	572,545,319
Undistributed income		73,862,538	67,240,251	72,430,046	66,048,105
Total unitholders' fund		646,407,857	639,785,570	644,975,365	638,593,424

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 RM	Group 2022 RM	2023 RM	Fund 2022 RM
Non-current liabilities					
Deferred tax liability	15	1,995,394	1,813,829	1,995,394	1,813,829
Other payables	16	5,602,842	3,346,464	5,602,842	3,343,617
Islamic financing	17	521,681,074	187,062,422	69,521,341	187,062,422
Amount due to a subsidiary	16(c)	-	-	448,837,893	-
		529,279,310	192,222,715	525,957,470	192,219,868
Current liabilities					
Other payables and accrued expenses	16	19,745,664	21,666,229	16,888,767	21,416,449
Amount due to related companies	16(a)	2,693,853	1,231,343	2,693,853	1,231,343
Amount due to a subsidiary	16(b)	-	-	-	445,968,601
Islamic financing	17	117,934,325	450,207,880	117,934,325	-
		140,373,842	473,105,452	137,516,945	468,616,393
Total liabilities		669,653,152	665,328,167	663,474,415	660,836,261
Total unitholders' fund and liabilities		1,316,061,009	1,305,113,737	1,308,449,780	1,299,429,685
Number of units in circulation	18	580,000,000	580,000,000	580,000,000	580,000,000
Net asset value ("NAV")					
- before income distribution		646,407,857	639,785,570	644,975,365	638,593,424
- after distribution		645,827,857	631,085,570	644,395,365	629,893,424
NAV per unit					
- before income distribution		1.11	1.10	1.11	1.10
- after income distribution		1.11	1.09	1.11	1.09

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN NET ASSET VALUE

FOR THE YEAR ENDED 31 DECEMBER 2023

	Unitholders' capital RM	Realised* RM	Unrealised RM	Total undistributed income RM	Total unitholders' fund RM
Group					
At 1 January 2022	572,545,319	17,991,593	72,524	18,064,117	590,609,436
Total comprehensive income	-	15,733,218	49,682,831	65,416,049	65,416,049
Transactions with unitholders: Income distributions (Note 9)	-	(16,239,915)	-	(16,239,915)	(16,239,915)
At 31 December 2022	572,545,319	17,484,896	49,755,355	67,240,251	639,785,570
At 1 January 2023	572,545,319	17,484,896	49,755,355	67,240,251	639,785,570
Total comprehensive income	-	7,571,408	14,130,636	21,702,044	21,702,044
Transactions with unitholders: Income distributions (Note 9)	-	(15,079,757)	-	(15,079,757)	(15,079,757)
At 31 December 2023	572,545,319	9,976,547	63,885,991	73,862,538	646,407,857
Fund					
At 1 January 2022	572,545,319	18,202,619	1,061,324	17,141,295	589,686,614
Total comprehensive income	-	15,766,694	49,380,031	65,146,725	65,146,725
Transactions with unitholders: Income distributions (Note 9)	-	(16,239,915)	-	(16,239,915)	(16,239,915)
At 31 December 2023	572,545,319	17,729,398	48,318,707	66,048,105	638,593,424
At 1 January 2023	572,545,319	17,729,398	48,318,707	66,048,105	638,593,424
Total comprehensive income	-	7,600,151	13,861,547	21,461,698	21,461,698
Transactions with unitholders: Income distributions (Note 9)	-	(15,079,757)	-	(15,079,757)	(15,079,757)
At 31 December 2023	572,545,319	10,249,792	62,180,254	72,430,046	644,975,365

*Distributable

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group		Fund	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from operating activities				
Profit before tax	21,883,609	66,001,130	21,643,263	65,731,806
Adjustments for:				
Finance costs on loan:				
- Finance costs charged by financing institution	34,550,046	26,629,136	34,550,046	26,629,136
- Imputed finance costs	1,942,197	1,747,164	1,942,197	1,747,164
Depreciation of equipment	204,893	180,748	204,893	180,748
Fair value gain on investment properties	(12,582,560)	(46,674,736)	(12,582,560)	(46,674,736)
Investment income	(935,781)	(511,630)	(935,781)	(511,630)
Unbilled rental income	(3,229,641)	(3,593,176)	(3,229,641)	(3,593,176)
Allowance for expected credit losses of trade receivables	1,500,000	142,646	1,500,000	142,646
Operating profit before working capital changes	43,332,763	43,921,282	43,092,417	43,651,958
Decrease/(increase) in:				
Trade receivables	1,842,688	8,568,116	1,842,688	8,568,116
Other receivables and prepaid expenses	(1,206,499)	(1,453,803)	(1,217,669)	(1,428,925)
Amount due from immediate holding company	6,436	(26,373)	6,436	(26,373)
Amount due from related companies	(384,242)	(108,804)	(384,242)	(108,804)
(Decrease)/increase in:				
Other payables and accrued expenses	(2,476,000)	(125,363)	(2,468,153)	(98,210)
Amount due to immediate holding company	-	(54,496)	-	(54,496)
Amount due to related companies	1,462,510	381,738	1,462,510	381,738
Net cash generated from operating activities	42,577,656	51,102,297	42,333,987	50,885,004
Cash flows from investing activities				
Income received from other investments	935,781	511,630	935,781	511,630
Purchase of equipment	(270,794)	(275,101)	(270,794)	(275,101)
Additions to investment properties	(2,257,800)	(262,088)	(2,257,800)	(262,088)
Net cash used in investing activities	(1,592,813)	(25,559)	(1,592,813)	(25,559)
Cash flows from financing activities				
Increase in pledged deposits with licensed banks	(2,242,000)	(31,000)	(42,000)	(31,000)
Income distributions paid	(15,079,757)	(16,239,915)	(15,079,757)	(16,239,915)
Islamic financing costs paid	(31,738,233)	(26,591,583)	(31,741,078)	(26,592,739)
Transaction cost paid	(3,597,100)	(133,800)	(3,597,100)	(129,800)
Increase/(decrease) in amount due to a subsidiary	-	-	2,146,891	155,358
Net drawdown in Sukuk Issue 3	4,000,000	-	-	-
Net cash used in financing activities	(48,657,090)	(42,996,298)	(48,313,044)	(42,838,096)
Net increase in cash and cash equivalents	(7,672,247)	8,080,440	(7,571,870)	8,021,349
Cash and cash equivalents at beginning of year	37,084,627	29,004,187	36,955,715	28,934,366
Cash and cash equivalents at end of year (Note 14)	29,412,380	37,084,627	29,383,845	36,955,715

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. Corporate information

Al-Salām Real Estate Investment Trust (the “Fund”) is a Malaysian domiciled Islamic Real Estate Investment Trust constituted pursuant to a Trust Deed dated 26 March 2015 between the Fund, Damansara REIT Managers Sdn Berhad (the “Manager”) and AmanahRaya Trustees Berhad (the “Trustee”). The Trust Deed was registered with the Securities Commission Malaysia (“SC Malaysia”) on 30 March 2015.

On 6 June 2019, at the Extraordinary General Meeting the unitholders of the Fund has approved the proposed amendments and consolidation of the Trust Deed into Restated Trust Deed was executed and lodged on 25 November 2019 with the Security Commission. The Fund will continue its operations until such time as determined by the Trustee and the manager as provided under the provision of the Restated Trust Deed.

The Fund is regulated by the Capital Markets and Services Act, 2007, SC Malaysia Guidelines on Real Estate Investment Trusts and Islamic Real Estate Investment Trusts (the “SC Guidelines”), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), the Rules of the Depository, and taxation laws and rulings of Malaysia. The Fund will continue its operations until such time as determined by the Trustee and the Manager as provided under the provisions of the Deed.

The Fund commenced its business operations on 6 May 2015 and was listed on the Main Market of Bursa Malaysia on 29 September 2015.

The immediate holding company is Damansara Assets Sdn Bhd. The ultimate holding corporation is Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4, 1968 (as amended by the Enactment No. 5, 1995). Both holding company and corporation are incorporated in Malaysia.

The principal activity of the Fund is to invest in Shariah-compliant properties with the primary objective of providing unitholders with regular and stable income distributions, sustainable long term unit prices and distributable income and capital growth, while maintaining an appropriate capital structure.

The principal activity of the subsidiary is as a special-purpose company for the purpose of raising Islamic financing for Al-Salām Real Estate Investment Trust.

The registered office of the Manager is located at Level 14, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Johor, Malaysia.

The principal place of business of the Manager is located at Unit 1-19-02, Level 19, Block 1, V SQUARE, Jalan Utara, 46200 Petaling Jaya, Selangor, Malaysia.

The Fund has entered into several service agreements in relation to the management of the Fund and its property operations. The fees structure of these services is as follows:

(a) Property manager's fees

Under a Property Management Agreement entered between the Fund, the Manager and Exastrata Solution Sdn Bhd (the “Property Manager”), the Property Manager is entitled to receive property manager’s fees.

The property manager’s fee for the current financial year is RM481,300 (2022: RM476,400).

(b) Manager's fees

Pursuant to the Deed dated 25 November 2019, the Manager is entitled to receive the following fees from the Fund:

- (i) A base management fee of up to 1% per annum of total asset value (excluding cash and bank balances) of the Fund calculated on a monthly accrual basis. The Manager’s base management fee for the current financial year is RM2,589,740 (2022: RM2,461,404).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. Corporate information (cont'd.)

(b) Manager's fees (cont'd.)

- (ii) An acquisition fee of 1% of the transaction value (being the total purchase price) of any investment property directly or indirectly acquired from time to time by the Trustee for and on behalf of the Fund pro-rated, if applicable, to the proportion of the Fund's interest and payable to the Manager upon completion of the acquisition of the investment property. The Manager did not earn any acquisition fee for the current and previous financial year.
- (iii) A disposal fee of 0.5% of the transaction value (being the total sales price) of any investment property directly or indirectly sold from time to time by the Trustees for and on behalf of the Fund pro-rated, if applicable, to the proportion of the Fund's interest and payable to the Manager upon completion of the disposal of the investment property. The Manager did not earn any disposal fee for the current and previous financial year.

(c) Trustee's fees

Pursuant to the Deed dated 25 November 2019, the Trustee is entitled to receive a fee of up to 0.02% per annum of the net asset value of the Fund, calculated based on the monthly accrual basis and payable monthly in arrears. The Trustee's fees for the current financial year is RM127,741 (2022: RM117,207).

The financial statements of the Group and of the Fund were authorised by the Board of Directors of the Manager for issuance on 22 February 2024.

2. Basis of preparation and material accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Fund have been prepared in accordance with the applicable provisions of the Restated Trust Deed dated 25 November 2019, Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

The financial statements of the Group and the Fund are prepared under the historical cost basis except for investment properties and applicable financial instruments that have been measured at their fair values.

The financial statements are presented in Ringgit Malaysia ("RM") except when otherwise stated.

As of 31 December 2023, the current liabilities of the Group and the Fund have exceeded the current assets by RM65,123,370 and RM69,877,704 respectively. In the opinion of the Manager, the Group will be able to meet their obligations and liabilities as and when they fall due on the basis that the Group will be able to repay their borrowings when it matures.

As at the reporting date, the Group has submitted a letter to request for extension of the facility tenure of borrowing of RM118,000,000 for a further 2 years. As at the date of the financial statements, the Group is confident in obtaining the approval for the extension of tenure for repayment of borrowing for a further 2 years before maturity date on 24 March 2024.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of preparation and material accounting policies (cont'd.)**2.2 Changes in accounting policies**

The accounting policies adopted are consistent with those of the previous financial year, except in the current period, the Group and the Fund adopted the following new and amended MFRS mandatory for annual financial periods beginning on or after 1 January 2023:

Description	Effective for annual period beginning on or after
MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules	1 January 2023

The adoption of the above new and amended MFRS did not have any significant financial impact to the Group and the Fund.

2.3 Standards and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective are disclosed below. The Group and the Fund intend to adopt these standards, if applicable, when they become effective:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 101: Classification of Liabilities as Current or Non Current	1 January 2024
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

2.4 Material accounting policies**(a) Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Fund and its subsidiaries as at the reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of preparation and material accounting policies (cont'd.)

2.4 Material accounting policies (cont'd.)

(a) Basis of consolidation (cont'd.)

- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements; and
- (iii) The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combination

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. Under the acquisition method, the identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date.

Acquisition costs incurred are expensed and included in administrative expenses. The difference between these fair values and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or discount on acquisition.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

In business combinations achieved in stages, previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of preparation and material accounting policies (cont'd.)**2.4 Material accounting policies (cont'd.)****(a) Basis of consolidation (cont'd.)****Investment in subsidiary - separate financial statements**

In the Fund's separate financial statements, investments in subsidiary is accounted for at cost less impairment losses if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(b) Revenue recognition**(i) Rental income**

The Group and the Fund earn revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property.

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

(a) Gross rental income

Revenue from rental of investment properties, including service charges, are recognised on a straight line basis over the period of the lease term in accordance with terms and conditions of the tenancy agreement between the Group and its tenants.

(b) Percentage rent

Rental income earned from certain tenants include percentage rent clauses whereby rent received and/or receivable is the higher of base rent and a percentage of sales earned by the tenant during the financial year. Percentage rent is recognised when it can be reliably measured by the Group.

(ii) Other income

Revenue is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group and the Fund recognise revenue when or as it transfer control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

An entity transfer control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (i) The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; or
- (ii) The entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (iii) The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for payment completed to date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of preparation and material accounting policies (cont'd.)

2.4 Material accounting policies (cont'd.)

(b) Revenue recognition (cont'd.)

(ii) Other income (cont'd.)

If a performance obligation is not satisfied over time, an entity satisfied the performance obligation at a point in time.

(a) Parking income and event and advertising income

Parking income and events and advertising income are recognised on an accruals basis in the accounting period in which the services are being rendered.

(b) Investment income

Investment income, which comprise income earned from Islamic fixed deposit placements, are recognised on an accrual basis.

(c) Income distribution

Income distributions are recognised as a liability when they are approved by Trustee and the board of directors of the Manager. Interim distributions are deducted from unitholders' funds when they are paid.

Income distribution to unitholders that are declared after the reporting period are not recognised as a liability at the end of the reporting period.

(d) Taxation

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in OCI or in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

In accordance with Section 61A(1) of the Income Tax Act 1967, the total income of the Fund will be exempted from income tax provided that at least 90% of the total taxable income of the Fund is distributed to unitholders within two months from the end of the reporting period.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of preparation and material accounting policies (cont'd.)**2.4 Material accounting policies (cont'd.)****(d) Taxation (cont'd.)****(ii) Deferred tax (cont'd.)**

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (a) When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss
- (b) In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group and the Fund offset deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(e) Investment properties

Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property comprises principally office building and shopping mall that are not occupied substantially for use by, or in the operations of, the Group and the Fund, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and (only in case of investment property held under a lease) initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of preparation and material accounting policies (cont'd.)

2.4 Material accounting policies (cont'd.)

(e) Investment properties (cont'd.)

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. The fair values were determined based on the capitalisation of net income method (“investment method”) and is premised on the principle that the value of an income-producing property is represented by the “present worth of future rights to income, or utility”. The valuation is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise, including the corresponding tax effect.

For the purposes of these financial statements, in order to avoid double counting, the fair value reported in the financial statements is:

- (i) Reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments;
- (ii) In the case of investment property held under a lease, increased by the carrying amount of any liability to the head lessor that has been recognised in the statement of financial position as a finance lease obligation.

Investment property is derecognised either when it has been disposed of (i.e. at the date the recipient obtains control of the investment property in accordance with the requirements for determining when a performance obligation is satisfied in MFRS 15) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration to be included in the gain or loss arising from the derecognition of investment property, the Group and the Fund consider the effects of variable consideration, the existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any) in accordance with the requirements for determining the transaction price in MFRS 15.

(f) Equipment

Equipment are stated at cost less accumulated depreciation and any impairment losses.

Equipment are depreciated on the straight-line method at an annual rate of 10% based on its estimated useful lives.

The estimated useful lives, residual values and depreciation method of equipment are reviewed at the end of each reporting period, with the effect of any change in estimates accounted for prospectively.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss.

(g) Impairment of non financial assets

At the end of each reporting period, the Group and the Fund review the carrying amounts of their non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Fund estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of preparation and material accounting policies (cont'd.)**2.4 Material accounting policies (cont'd.)****(g) Impairment of non financial assets (cont'd.)**

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(h) Leases**As a lessor**

Leases in which the Group and the Fund do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(i) Islamic Financing

Islamic financing are recognised initially at fair value, net of transaction costs incurred. Islamic Financing are subsequently stated at amortised cost; any difference between the fair value (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the Islamic financing using the effective interest method.

Islamic financing are classified as current liabilities unless the Group and the Fund have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Debt financing costs incurred arising from extinguishment of Islamic financing are accounted for in profit or loss in the period during which the extinguishment is concluded. Debt financing costs incurred on new Islamic financing are capitalised and amortised over the period of Islamic financing. All other Islamic financing costs are recognised in profit or loss in the period they are incurred. Islamic financing costs consist of financing costs and other costs that the Group and the Fund incurred in connection with the Islamic financing of funds.

(j) Provisions

Provisions are recognised when the Group and the Fund have a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of preparation and material accounting policies (cont'd.)

2.4 Material accounting policies (cont'd.)

(k) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition and measured either at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Fund's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Fund have applied the practical expedient, the Group and the Fund initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component and therefore are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Fund's business model for managing financial assets refer to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Fund commit to purchase or sell the asset.

The Group and the Fund determined the classification of their financial assets as financial assets (debt instruments) at amortised cost at its initial recognition.

Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Fund's financial assets at amortised cost includes trade receivables, other receivables (excluding prepaid expenses and unbilled rental income), amount due from related companies, fixed deposits with licensed banks, and cash and bank balances.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- (i) The rights to receive cash flows from the asset have expired; or
- (ii) The Group and the Fund have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Fund has transferred substantially all the risks and rewards of the asset, or the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of preparation and material accounting policies (cont'd.)**2.4 Material accounting policies (cont'd.)****(k) Financial assets (cont'd.)****Derecognition (cont'd.)**

When the Group and the Fund have transferred their rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Fund continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Fund also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Fund have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Fund could be required to repay.

(l) Impairment of financial assets

The Group and the Fund recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Fund expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12- months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Fund apply a simplified approach in calculating ECLs. Therefore, the Group and the Fund do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Fund have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Fund consider factors if a financial asset in default such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments that indicate that the Group and the Fund are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Fund. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of preparation and material accounting policies (cont'd.)

2.4 Material accounting policies (cont'd.)

(m) Financial liabilities

Recognition and measurement

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Fund become a party to the contractual provisions of the financial instruments. Financial liabilities are classified as other financial liabilities.

The Group's and the Fund's other financial liabilities include total payables (non-current and current), Islamic financing, amount due to related companies and amount due to a subsidiary.

Payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same financier on substantially different terms, or the terms of an existing liability are substantially modified, such as exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(n) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(o) Cash and cash equivalents

Cash and Islamic fixed deposits with licensed banks in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash bank balances consist of cash and Islamic fixed deposits with licensed banks.

(p) Segment reporting

For management purposes, the Group and the Fund are organised into operating segments based on industry which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the Manager of the Group and the Fund who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 23, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of preparation and material accounting policies (cont'd.)**2.4 Material accounting policies (cont'd.)****(r) Fair value measurement**

The Group and the Fund measure financial instruments such as derivatives and investment property at fair value at each balance sheet date.

value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability; or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Fund use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group and the Fund determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3. Significant accounting judgements and estimates

The preparation of the Group's and the Fund's financial statements requires management to make judgements, estimates and assumptions that effect the reported amounts of the revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Significant accounting judgements and estimates (cont'd.)

3.1 Critical judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's and the Fund's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured at fair value, the Group and the Fund have concluded that certain investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time while others are held for eventual sale. As a result, the Group and the Fund have measured deferred tax on changes in fair values of these investment properties using the corporate income tax rate or the real property gains tax rate, as appropriate.

The carrying amount of deferred tax liabilities is disclosed in Note 15.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities of the Fund within the next financial year are discussed below:

Fair value of investment properties

The Group and the Fund carry their investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group and the Fund had engaged an independent professional valuer to determine the fair value and there are no material events that affect the valuation between the valuation date and financial year end.

The determined fair value of the investment properties by the independent professional valuer is most sensitive to the estimated yield rate and discount rate. The range of the yield rate and the discount rate used in the valuation is described in Note 10.

The following table demonstrates the sensitivity of the fair value measurement to changes in estimated term yield rate, discount rate and its corresponding sensitivity result in a higher or lower fair value measurement:

	Fair value Increase/(decrease)	
	2023 RM	2022 RM
Yield rate		
- 0.25%	8,320,000	9,210,000
+ 0.25%	(7,910,000)	(10,360,000)
Discount rate		
- 0.25%	41,100,000	36,330,000
+ 0.25%	(37,800,000)	(32,760,000)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

4. Gross rental income

	Group		Fund	
	2023 RM	2022 RM	2023 RM	2022 RM
Rental income:				
- Base rental income	60,393,265	58,987,413	60,393,265	58,987,413
- Unbilled rental income	3,229,641	3,593,176	3,229,641	3,593,176
Percentage rent	2,566,489	2,486,517	2,566,489	2,486,517
Service charges	3,277,658	2,834,039	3,277,658	2,834,039
	69,467,053	67,901,145	69,467,053	67,901,145

5. Other income

	Group		Fund	
	2023 RM	2022 RM	2023 RM	2022 RM
Timing of revenue recognition:				
At a point in time				
Parking income	4,299,815	2,304,751	4,299,815	2,304,751
Event and advertising income	2,515,951	1,594,164	2,515,951	1,594,164
	6,815,766	3,898,915	6,815,766	3,898,915

The sales of the company are made within Malaysia.

6. Investment income

	Group		Fund	
	2023 RM	2022 RM	2023 RM	2022 RM
Income from Islamic deposit placements	935,781	511,630	935,781	511,630

7. Tax expense

	Group		Fund	
	2023 RM	2022 RM	2023 RM	2022 RM
Deferred tax relating to the origination and reversal of temporary differences (Note 15)	181,565	585,081	181,565	585,081

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

7. Tax expense (cont'd.)

Pursuant to Section 61A of the Malaysian Income Tax Act, 1967 ("Act"), income of the Fund will be exempted from tax provided that at least 90% of its total taxable income (as defined in the Act) is distributed to the unitholders' in the basis period of the Fund for that year of assessment within two months after the close of the financial year. If the 90% distribution condition is not complied with or the 90% distribution is not made within two months after the close of the financial year which forms the basis period for a year of assessment, the Fund will be subject to income tax at the prevailing statutory rate on its total taxable income. Income which has been taxed at the Fund's level will have tax credits attached when subsequently distributed to unitholders.

As at the date of this financial statements, the Fund has declared more than 90% of its distributable income to unitholders for the financial year ended 31 December 2023 accordingly. No provision for income tax expense has been made for the year.

Deferred tax liability has been provided for the investment properties held by Al-Salām REIT at 10% which reflects the expected manner of recovery of the investment properties, i.e. recovered through sale.

Reconciliation of the tax expense is as follows:

	Group		Fund	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax	21,883,609	66,001,130	21,638,263	65,731,806
Tax at the statutory tax rate of 24%	5,252,066	15,840,271	5,194,383	15,775,633
Expenses not deductible for tax purposes	903,423	334,855	903,423	429,192
Income not subject to tax	(6,155,489)	(16,175,126)	(6,097,806)	(16,204,825)
Deferred tax recognised at different tax rate	181,565	585,081	181,565	585,081
	181,565	585,081	181,565	585,081

Taxation of the unitholders

Pursuant to Section 109D(2) of the Malaysian Income Tax Act 1967, where 90% or more of the Real Estate Investment Trust's ("REIT") total taxable income is distributed by the REIT, distributions to unitholders (other than resident corporate investors) will be subject to tax based on a withholding tax mechanism at the following rates:

Unitholders	Tax rate
Individuals and all other non-corporate investors such as institutional investors	10%
Non-resident corporate investors	24%

Resident corporate investors are required to report the distributions in their normal corporate tax return and subject to the normal corporate tax rate of 24%.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

8. Earnings per unit

The earnings per unit, which are calculated based on the profit for the year of the Group, divided by the weighted average number of units in circulation as of 31 December 2023 and 2022, are as follows:

	2023 RM	Group 2022 RM
Earnings attributable to unitholders:		
Profit for the year	21,702,044	65,416,049
Weighted average number of units	580,000,000	580,000,000
Earnings per unit (sen)	3.74	11.28

9. Income distribution

	2023 RM	Group and Fund 2022 RM
Income distributions on ordinary shares in respect of the current financial year		
First interim income distribution of 0.50 sen per unit declared on 26 August 2022 and paid on 11 October 2022	-	2,899,986
Second interim income distribution of 0.50 sen per unit declared on 25 November 2022 and paid on 6 January 2023	-	2,900,000
First interim income distribution of 0.40 sen per unit declared on 26 May 2023 and paid on 10 July 2023	2,319,988	-
Second interim income distribution of 0.40 sen per unit declared on 25 August 2023 and paid on 2 October 2023	2,319,988	-
Third interim income distribution of 0.30 sen per unit declared on 24 November 2023 and paid on 27 December 2023	1,739,976	-
	6,379,952	5,799,986
Income distribution on ordinary shares in respect of the previous financial year		
Final income distribution of 1.80 sen per unit declared on 27 January 2022 and paid on 28 February 2022	-	10,439,929
Final income distribution of 1.50 sen per unit declared on 2 February 2023 and paid on 28 February 2023	8,699,805	-
	15,079,757	16,239,915

The Manager had declared a final income distribution of 0.10 (2022: 1.50) sen per unit totaling RM580,000 (2022: RM8,700,000) for the financial year ended 31 December 2023 on 24 January 2024 (2022: 3 February 2023).

The financial statements for the current year do not reflect this final income distribution. Such income distribution will be accounted for in equity as an appropriation of profits in the financial year ending 31 December 2024.

The total distributions (including proposed final income distribution) for the financial year ended 31 December 2023 amounting to RM6,959,952 (2022: RM14,499,791). Total income distribution is 1.20 (2022: 2.50) sen per unit.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

9. Income distribution (cont'd.)

Distribution to unitholders is derived from the following sources:

	Group		Fund	
	2023 RM	2022 RM	2023 RM	2022 RM
Net property income	50,908,420	51,438,621	50,908,420	51,438,621
Investment income	935,781	511,630	935,781	511,630
Less: Unbilled rental income	(3,229,641)	(3,593,176)	(3,229,641)	(3,593,176)
	48,614,560	48,357,075	48,614,560	48,357,075
Less: Fund expenses	(41,043,152)	(32,623,857)	(41,014,409)	(32,590,381)
Realised income	7,571,408	15,733,218	7,600,151	15,766,694
Undistributed income brought forward	17,484,896	17,991,593	17,729,398	18,202,619
Less: Undistributed income	(9,976,547)	(17,484,896)	(10,249,792)	(17,729,398)
	15,079,757	16,239,915	15,079,757	16,239,915

10. Investment properties

	Group		Fund	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 January	1,224,173,346	1,177,236,522	1,224,173,346	1,177,236,522
Enhancements	2,257,800	262,088	2,257,800	262,088
Fair value adjustment	12,582,560	46,674,736	12,582,560	46,674,736
At 31 December	1,239,013,706	1,224,173,346	1,239,013,706	1,224,173,346

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10. Investment properties (cont'd.)Fair value measurement of the Group's and the Fund's investment properties

The fair values of the Group's and the Fund's investment properties as of 31 December 2023 have been arrived at on the basis of valuation carried out by Cheston International Sdn Bhd, independent valuer not related to the Group and the Fund. The valuer are registered members of the Board of Valuers, Appraisers and Estate Agents, Malaysia, and they have appropriate qualifications and recent experience in the valuation of the properties in the relevant locations. The valuation of the Fund's investment properties were performed in accordance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

The fair values were determined based on the capitalisation of net income method and is premised on the principle that the value of an income-producing property is represented by the "present worth of future rights to income, or utility". The values estimated under this method are derived by ascertaining the market rent of the properties; deducting all reasonable annual operating expenses (as would be experienced under typical management) and then capitalising the resultant net operating income by an appropriate rate of capitalisation to obtain the present value of the income stream. In undertaking their assessment of the value using this approach, the market rental income and expected future rental income are taken into consideration. In arriving at the net income, the outgoings i.e. quit rent, assessment, insurance, repairs and maintenance and management, are deducted from gross rental income together with allowance for void.

In estimating the fair values of the investment properties, the highest and best use of the investment properties is their current use.

The following table shows a reconciliation of Level 3 fair values:

	Group		Fund	
	2023	2022	2023	2022
	RM	RM	RM	RM
Valuation per valuers' report	1,259,060,000	1,240,990,000	1,259,060,000	1,240,990,000
Less: Unbilled rental income	(20,046,294)	(16,816,654)	(20,046,294)	(16,816,654)
	1,239,013,706	1,224,173,346	1,239,013,706	1,224,173,346

The fair value of the investment properties are classified as Level 3 for fair value hierarchy disclosure purposes. The significant unobservable inputs applied by the independent valuer in applying the investment method above are as follows:

Significant unobservable inputs	Inter-relationship between significant Significant unobservable input and fair value measurement
Term yield ranging from 5.00% - 6.75% (2022: 5.00% -6.75%)	Higher term yield rates, lower fair value
Reversionary yield ranging from 5.50% - 7.25% (2022: 5.50% - 7.25%)	Higher reversionary yield rates, lower fair value
Discount rate ranging from 5.00% to 7.25% (2022: 5.00% - 7.25%)	Higher discount rates, lower fair value
Allowance for void of 3.0% - 10.00% (2022: 3.0% - 10.00%)	Higher allowance for void rates, lower fair value

The valuer had adopted market corroborated capitalisation rates, which is the most frequently adopted methodology by the property industry in Malaysia, based on information pertaining to recent comparable sales which are publicly available, adjusted for the location, quality and characteristics of the investment properties.

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10. Investment properties (cont'd.)

A summary of the investment properties of the Group and of the Fund, as required to be disclosed by the SC Guidelines, is as follows:

Description of property	Tenure of land	Term of lease Years	Remaining term of lease Years	Location	Date of valuation	2023 Fair value RM	2022 Fair value RM	Fair value hierarchy
1. KOMTAR JBCC ##	Freehold	-	-	Johor Bahru, Johor	31/12/2023	431,000,000	431,000,000	3
2. Menara KOMTAR ##	Freehold	-	-	Johor Bahru, Johor	31/12/2023	70,000,000	70,000,000	3
3. @Mart Kempas ##	Leasehold	99	84	Johor Bahru, Johor	31/12/2023	78,000,000	76,000,000	3
4. Malaysian College of Hospitality & Management (MCHM) ##	Freehold	-	-	Johor Bahru, Johor	31/12/2023	36,200,000	36,000,000	3
5. Mydin Hypermart Gong Badak ##	Leasehold	99	87	Gong Badak, Terengganu	31/12/2023	151,953,706	153,183,346	3
6. Retail unit Megamall Pinang Shopping Complex#	Freehold	-	-	Perai, Penang	31/12/2023	1,130,000	1,120,000	3
7. QSR Properties:								
Restaurant in shop lots								
a. KFC restaurant ##	Freehold	-	-	Kajang, Selangor	31/12/2023	11,000,000	11,000,000	3
b. KFC restaurant ##	Freehold	-	-	Jitra, Kedah	31/12/2023	590,000	570,000	3
c. KFC restaurant ##	Leasehold	93	82	Ayer Hitam, Johor	31/12/2023	2,500,000	2,300,000	3
d. KFC restaurant #	Leasehold	99	68	Bayan Lepas, Penang	31/12/2023	4,800,000	4,500,000	3
e. KFC restaurant ###	Leasehold	99	73	Petaling Jaya, Selangor	31/12/2023	10,000,000	10,000,000	3
f. KFC restaurant #	Leasehold	74	63	Port Dickson, Negeri Sembilan	31/12/2023	2,000,000	1,900,000	3
g. KFC restaurant ##	Leasehold	99	70	Kuala Perlis, Perlis	31/12/2023	590,000	590,000	3
h. PHD restaurant ##	Freehold	-	-	Ulu Tiram, Johor	31/12/2023	1,100,000	1,100,000	3
i. PHD restaurant ##	Leasehold	99	63	Kota Tinggi, Johor	31/12/2023	1,000,000	960,000	3
j. KFC restaurant #	Leasehold	99	59	Kepong, Kuala Lumpur	31/12/2023	7,300,000	7,300,000	3
k. KFC restaurant #	Freehold	-	-	Kampar, Perak	31/12/2023	1,700,000	1,600,000	3
l. KFC restaurant #	Freehold	-	-	Jalan Raja Laut, Kuala Lumpur	31/12/2023	4,800,000	4,700,000	3
m. KFC restaurant #	Freehold	-	-	Jalan Ipoh, Kuala Lumpur	31/12/2023	10,300,000	10,000,000	3
n. KFC restaurant #	Freehold	-	-	Ipoh, Perak	31/12/2023	2,300,000	2,200,000	3
o. KFC restaurant #	Leasehold	99	77	Balai Panjang, Melaka	31/12/2023	1,200,000	1,200,000	3
p. KFC restaurant #	Freehold	-	-	Ulu Tiram, Johor	31/12/2023	2,100,000	1,800,000	3
q. KFC restaurant #	Freehold	-	-	Jalan Dato Onn Jaafar, Perak	31/12/2023	4,000,000	4,000,000	3
r. KFC restaurant #	Freehold	-	-	Senawang, Negeri Sembilan	31/12/2023	1,100,000	1,000,000	3

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10. Investment properties (cont'd.)

Description of property	Tenure of land	Term of lease Years	Remaining term of lease Years	Location	Date of valuation	2023 Fair value RM	2022 Fair value RM	Fair value hierarchy
7. GSR Properties (cont'd.):								
Restaurant in shop lots (cont'd.)								
s. KFC restaurant #	Freehold	-	-	Seremban, Negeri Sembilan	31/12/2023	4,400,000	4,400,000	3
t. KFC restaurant #	Leasehold	999	893	Kota Kinabalu, Sabah	31/12/2023	3,100,000	3,000,000	3
u. Pizza Hut restaurant #	Leasehold	99	91	Kuching, Sarawak	31/12/2023	4,300,000	4,000,000	3
v. KFC restaurant #	Leasehold	99	65	Sg Buloh, Selangor	31/12/2023	1,900,000	1,800,000	3
w. KFC restaurant #	Freehold	-	-	Jalan Hang Tuah, Melaka	31/12/2023	2,400,000	2,300,000	3
Restaurants in shopping mall								
x. KFC Restaurant in Queensbay Mall #	Freehold	-	-	Bayan Lepas, Penang	31/12/2023	15,300,000	14,800,000	3
y. KFC Restaurant Kompleks Bukit Jambul #	Freehold	-	-	Bayan Lepas, Penang	31/12/2023	3,500,000	3,400,000	3
z. KFC Restaurant in Megamall Pinang Shopping Complex #	Freehold	-	-	Perai, Penang	31/12/2023	2,550,000	2,550,000	3
Restaurants with drive-through facility								
aa. Pizza Hut and KFC ###	Leasehold	99	42	Jalan Kuchai Lama, Kuala Lumpur	31/12/2023	14,600,000	14,600,000	3
bb. Pizza Hut and KFC ##	Freehold	-	-	Sungai Petani, Kedah	31/12/2023	6,100,000	6,100,000	3
cc. Pizza Hut and KFC #	Freehold	-	-	Senai, Johor	31/12/2023	10,600,000	9,900,000	3
dd. Pizza Hut and KFC #	Freehold	-	-	Taman Damansara Aliff, Johor Bahru	31/12/2023	13,000,000	13,000,000	3
ee. Pizza Hut and KFC ###	Freehold	-	-	Taman Perling, Johor Bahru	31/12/2023	15,100,000	15,100,000	3
ff. Pizza Hut and KFC #	Freehold	-	-	Ipoh, Perak	31/12/2023	9,200,000	9,100,000	3
gg. Pizza Hut and KFC ####	Leasehold	96	74	Off Jalan Kepong, Kuala Lumpur	31/12/2023	18,300,000	17,300,000	3
hh. Pizza Hut and KFC #	Leasehold	83	61	Pusat Bandar Wangsa Maju, Kuala Lumpur	31/12/2023	29,500,000	28,000,000	3

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10. Investment properties (cont'd.)	Description of property	Tenure of land	Term of lease Years	Remaining term of lease Years	Location	Date of valuation	2023 Fair value RM	2022 Fair value RM	Fair value hierarchy
7. QSR Properties (cont'd.):									
	Restaurants with drive-through facility (cont'd.)								
	ii. Pizza Hut and KFC #	Leasehold	99	86	Hang Tuah Jaya, Melaka	31/12/2023	10,700,000	10,700,000	3
	jj. KFC #	Freehold	-	-	Bandar Seri Alam, Johor Bahru	31/12/2023	8,900,000	8,700,000	3
	kk. KFC #	Leasehold	991	889	Skudai, Johor	31/12/2023	9,400,000	9,400,000	3
	ll. KFC #	Freehold	-	-	Georgetown, Penang	31/12/2023	26,000,000	26,000,000	3
	mm. Pizza Hut and KFC #	Freehold	-	-	Kepala Batas, Penang	31/12/2023	7,900,000	7,800,000	3
	nn. Pizza Hut and KFC #	Leasehold	99	86	Puchong Perdana Selangor	31/12/2023	15,300,000	15,100,000	3
	oo. Pizza Hut and KFC #	Freehold	-	-	Seremban	31/12/2023	8,700,000	8,500,000	3
	pp. KFC #	Leasehold	99	89	Negeri Sembilan Jasin, Melaka	31/12/2023	4,600,000	4,300,000	3
8. Warehouse and factory									
	qq. Warehouse ##	Freehold	-	-	Simpang Ampat Penang	31/12/2023	1,600,000	1,600,000	3
	rr. Warehouse and factory #	Leasehold	99	74	Kota Kinabalu, Sabah	31/12/2023	3,000,000	3,000,000	3
	ss. Warehouse ##	Leasehold	99	65	Pelabuhan Klang, Selangor	31/12/2023	51,500,000	50,000,000	3
	tt. Warehouse and factory ##	Leasehold	99	65	Pelabuhan Klang, Selangor	31/12/2023	30,000,000	28,000,000	3
	uu. Warehouse and factory ###	Freehold	-	-	Shah Alam, Selangor	31/12/2023	66,100,000	63,000,000	3
	vv. Warehouse #	Leasehold	999	879	Kota Kinabalu, Sabah	31/12/2023	4,800,000	4,700,000	3
							1,239,013,706	1,224,173,346	

The investment properties amounting to RM168,780,000 (2022: RM165,070,000) are used to secure against Term Financing-I ("TF-I") issued by the Fund as disclosed in Note 17.

The investment properties amounting to RM946,133,706 (2022: RM938,103,346) are used to secure against Islamic Medium Term Notes ("IMTNs") issued by the subsidiary as disclosed in Note 17.

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10. Investment properties (cont'd.)

The investment properties amounting to RM105,800,000 (2022: RM102,700,000) are used to secure against Business Financing-I ("BF-I") issued by the Fund as disclosed in Note 17.

Restaurant with drive-through facility: Pizza Hut and KFC Off Jalan Kepong, Kuala Lumpur, amounting of RM18,300,000 (2022: RM17,300,000) are used to secure against Commodity Murabahah Revolving Credit ("CMRC").

* Based on valuation carried out by independent professional valuer, Messrs. Cheston.

11. Equipment

	Group		Fund	
	2023 RM	2022 RM	2023 RM	2022 RM
Cost				
At 1 January	1,549,014	1,273,913	1,549,014	1,273,913
Additions	270,794	275,101	270,794	275,101
At 31 December	1,819,808	1,549,014	1,819,808	1,549,014
Accumulated depreciation				
At 1 January	746,351	565,603	746,351	565,603
Charge for the year	204,893	180,748	204,893	180,748
At 31 December	951,244	746,351	951,244	746,351
Net carrying amount				
At 31 December	868,564	802,663	868,564	802,663

12. Investment in a subsidiary

	Fund	
	2023 RM	2022 RM
Unquoted shares, at cost	2	2

Details of the subsidiary are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Proportion of ownership interest	
			2023 %	2022 %
ALSREIT Capital Sdn Bhd	Special purpose company for the purpose of raising Islamic Financing for the Fund	Malaysia	100	100

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13. Trade receivables, other receivables and prepaid expenses

(a) Trade receivables

	Group and Fund	
	2023	2022
	RM	RM
Current		
Third parties	7,417,538	7,841,308
Amount due from related companies	4,704,417	6,141,672
	12,121,955	13,982,980
Less: Allowance for expected credit losses	(3,980,471)	(2,498,809)
	8,141,484	11,484,171
Unbilled rental income (Note (i))	20,046,294	16,816,654
	28,187,778	28,300,825

Trade receivables comprise rental receivable from lessees. The credit period granted by the Group and the Fund on rental receivable from lessees generally ranges from 1 to 7 days (2022: 1 to 7 days).

The ageing analysis of the Group's and of the Fund's trade receivables is as follows:

	Total gross carrying amount at default RM	Allowance for expected credit losses RM	Total RM
Group and Fund			
At 31 December 2023			
1 to 30 days past due	4,047,027	(270,404)	3,776,623
31 to 60 days past due	1,081,731	(152,054)	929,677
61 to 90 days past due	43,890	(12,845)	31,045
90 to 120 days past due	487,939	(107,403)	380,536
More than 120 days pass due	6,461,368	(3,437,765)	3,023,603
	12,121,955	(3,980,471)	8,141,484
At 31 December 2022			
1 to 30 days past due	3,968,992	(696,291)	3,272,701
31 to 60 days past due	1,499,993	(269,999)	1,229,994
61 to 90 days past due	39,116	(7,041)	32,075
90 to 120 days past due	610,733	(109,932)	500,801
More than 120 days pass due	7,864,146	(1,415,546)	6,448,600
	13,982,980	(2,498,809)	11,484,171

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

13. Trade receivables, other receivables and prepaid expenses (cont'd.)**(a) Trade receivables (cont'd.)**

Movement in allowance for expected credit losses of trade receivables:

	Group and Fund	
	2023 RM	2022 RM
At 1 January	2,498,809	5,169,756
Allowance for expected credit loss	1,500,000	142,646
Written off	(18,338)	(2,813,593)
At 31 December	3,980,471	2,498,809

(i) Unbilled rental income

Unbilled rental income relate to the Group's rights to recognise revenue. Rental income is recognised on a straight line basis including rent free period. Rental will be billed in accordance with the billing terms as set out in the tenancy agreements.

(b) Other receivables and prepaid expenses

	Group		Fund	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current				
Deferred lease expenses	928,267	-	928,267	-
Current				
Other receivables	6,253,407	6,260,072	6,239,435	6,234,930
Deferred lease expenses	122,400	-	122,400	-
Prepaid expenses	309,336	146,839	309,336	146,839
	6,685,143	6,406,911	6,671,171	6,381,769

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

13. Trade receivables, other receivables and prepaid expenses (cont'd.)

(b) Other receivables and prepaid expenses (cont'd.)

	Group		Fund	
	2023 RM	2022 RM	2023 RM	2022 RM
Total other receivables and prepaid expenses (non-current and current)	7,613,410	6,406,911	7,599,438	6,381,769
Total trade and non-trade receivables	35,801,188	34,707,736	35,787,216	34,682,594
Less:				
Prepaid expenses	(309,336)	(146,839)	(309,336)	(146,839)
Add:				
Amount due from immediate holding company (Note(c))	19,937	26,373	19,937	26,373
Amount due from related companies (Note (d))	1,520,234	1,135,992	1,520,234	1,135,992
Cash and bank balances	38,837,380	44,267,627	31,078,845	36,608,715
Total financial assets carried at amortised cost (debt instruments)	75,869,403	79,990,889	68,096,896	74,306,835

(c) Amount due from immediate holding company

Amount due from immediate holding company is non-trade, unsecured, interest-free and repayable on demand.

(d) Amount due from related companies

Amount due from related companies, which arose mainly from collections on behalf, is unsecured, interest-free and repayable on demand. Transactions with related parties are disclosed in Note 20.

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14. Cash and bank balances

	Group		Fund	
	2023 RM	2022 RM	2023 RM	2022 RM
Islamic fixed deposits with licensed banks	33,065,000	30,683,000	25,335,000	25,153,000
Cash and bank balances	5,772,380	13,584,627	5,743,845	13,455,715
	38,837,380	44,267,627	31,078,845	38,608,715
Less:				
Islamic fixed deposits with licensed banks with maturity period of more than 3 months	(9,425,000)	(7,183,000)	(1,695,000)	(1,653,000)
Cash and cash equivalents	29,412,380	37,084,627	29,383,845	36,955,715

At the reporting date, the weighted average deposit rate per annum and average remaining maturity period of fixed deposits with licensed banks are as follows:

	Group		Fund	
	2023	2022	2023	2022
Weighted average deposit rate (%)	3.29%	2.82%	2.47%	2.40%
Average remaining maturity period	37	36	24	32

The deposits with licensed banks of the Group and of the Fund of RM9,425,000 and RM1,695,000 (2022: RM7,183,000 and RM1,653,000) respectively are placed as reserve for repayment of finance costs on long-term Islamic financing as mentioned in Note 17 and hence, are not available for general use.

15. Deferred tax liability

	Group and Fund	
	2023 RM	2022 RM
At 1 January	1,813,829	1,228,748
Recognised in profit or loss (Note 7)	181,565	585,081
At 31 December	1,995,394	1,813,829

The deferred tax liability relates to fair value gain on investment properties which is expected to be recovered through sale. The amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets at their carrying values at the reporting date unless the property is held with the objective to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Based on the Finance Act 2019 which was gazetted in December 2019, it was clarified that the RPGT rate of 10% is prescribed for disposal of investment properties held for more than 5 years for a trustee of a trust.

NOTES TO THE FINANCIAL STATEMENTS

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16. Other payables and accrued expenses

	Group		Fund	
	2023 RM	2022 RM	2023 RM	2022 RM
Non current				
Tenant deposit payables	5,602,842	3,346,464	5,602,842	3,343,617
Current				
Tenant deposit payables	8,309,355	10,125,926	8,309,355	10,125,926
Other payables	2,785,449	3,273,986	2,785,449	3,273,986
Income distribution	16,165	2,900,000	16,165	2,900,000
Accrued expenses	4,650,295	4,193,730	4,650,295	4,188,730
Accrued financing cost (Note 17)	3,984,400	1,172,587	1,127,503	927,807
	19,745,664	21,666,229	16,888,767	21,416,449
Total payables (non-current and current)	25,348,506	25,012,693	22,491,609	24,760,066
Add:				
Islamic financing (Note 17)	639,615,399	637,270,302	187,455,666	187,062,422
Amount due to related company (Note (a))	2,693,853	1,231,343	2,693,853	1,231,343
Amount due to a subsidiary (Note (b))	-	-	448,837,893	445,968,601
Total financial liabilities carried at amortised cost	667,657,758	663,514,338	661,479,021	659,022,432

(a) Amount due to related company

Amount due to related company is non-trade, unsecured, interest-free and repayable on demand.

(b) Amount due to a subsidiary

Amount due to a subsidiary represents unsecured advances received from the proceeds raised from Islamic financing by the subsidiary. The finance costs and repayment terms of the unsecured advances mirror the finance costs and repayment terms of the Islamic financing of Sukuk Ijarah raised by the said subsidiary as disclosed in Note 17.

The amount due to a subsidiary is unsecured, repayable on demand and bears returns of 5.05% to 6.25% (2022: 3.75% to 5.09%) per annum, that are presented as net amount as there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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17. Islamic financing

	Group		Fund	
	2023 RM	2022 RM	2023 RM	2022 RM
Non current				
Term Financing-i ("TF-i") (Note (a))	-	118,000,000	-	118,000,000
Business Financing-i ("BF-i") (Note (b))	70,000,000	70,000,000	70,000,000	70,000,000
Sukuk Ijarah (Note (c))	455,000,000	-	-	-
	525,000,000	188,000,000	70,000,000	188,000,000
Less: Transaction cost	(3,318,926)	(937,578)	(478,659)	(937,578)
	521,681,074	187,062,422	69,521,341	187,062,422
Current				
Sukuk Ijarah (Note (c))	-	451,000,000	-	-
Term Financing-i ("TF-i") (Note (a))	118,000,000	-	118,000,000	-
	118,000,000	451,000,000	118,000,000	-
Less: Transaction cost	(65,675)	(792,120)	(65,675)	-
	117,934,325	450,207,880	117,934,325	-
Total Islamic financing	639,615,399	637,270,302	187,455,666	187,062,422

(a) TF-i

The TF-i profit is payable over a period of 60 months from the date of first disbursement. The effective profit rate for the TF-i will be based on COF which is based on the Bank's COF + 1.45% per annum for the duration of the TF-i.

The average effective profit rate for the TF-i is 5.07% (2022: 4.04%) per annum. The principal amount is to be expected to be paid in March 2024.

The TF-i has a significant covenant in which the subsidiary shall at all times, maintain the following criteria:

- (i) The financing payment cover ratio ("FPCR") of not less than 1.25 times;
- (ii) Total debts and financing over total assets value of not more than 50%; and
- (iii) Minimum security cover of 1.25 times.

The financing is secured by the investment properties amounting to RM168,780,000 (2022: RM165,070,000) as per disclosed in Note 10.

(b) BF-i

The BF-i profit is payable over a period of 72 months from the date of first disbursement. The effective profit rate for the BF-i will be based on COF which is based on the Bank's COF + 0.60% per annum for the duration of the BF-i.

The average effective profit rate for the BF-i is 5.53% (2022: 3.69%) per annum. The principal amount is to be expected to be paid in September 2026.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

17. Islamic financing (cont'd.)

(b) BF-i (cont'd.)

The BF-i has a significant covenant in which the subsidiary shall at all times, maintain the following criteria:

- (i) The financing payment cover ratio ("FSCR") of not less than 1.25 times;
- (ii) Total debts and financing over total assets value of not more than 50%; and
- (iii) Minimum security cover of 1.30 times.

The financing is secured by the investment properties amounting to RM105,800,000 (2022: RM102,700,000) as per disclosed in Note 10.

(c) Sukuk Ijarah

The company established a Sukuk Ijarah Programme comprising IMTN of up to RM1,500,000,000 in nominal value.

On 24 August 2020, the Company issued RM520,000,000 in nominal value of IMTNs ("Issue 2") which bear profit rate of 4.83% to 5.60% (2022: 3.75% to 5.09%) per annum. The Company redeemed RM69,000,000 and RM451,000,000 in nominal value of IMTNs ("Issue 2") on 24 September 2021 and 24 August 2023 respectively.

On 24 August 2023, the Company issued RM455,000,000 in nominal value of IMTNs ("Issue 3") which bears profit rate of 6.03% to 6.25% per annum. The principal amount is to be expected to be paid in 24 August 2026.

The Sukuk Ijarah Programme has a significant covenant in which the subsidiary, Al-Salām REIT and its subsidiary shall at all times, maintain the following financial covenants:

- (i) Finance Service Cover Ratio ("FSCR") at Issuer level of not less than 1.5 times;
- (ii) FSCR at Al-Salām REIT level of not less than 1.5 times;
- (iii) Minimum Security Cover Ratio of at least 2.0; and
- (iv) such other financial covenant(s) as may be determined by the Rating Agency and to be mutually agreed to by ALSREIT Capital Sdn Bhd.

The financing is secured by the investment properties amounting to RM946,133,706 (2022: RM939,103,346) as per disclosed in Note 10.

Revolving credit:

As of 31 December 2023, the Fund unutilised revolving credit facilities amounting to RM10,000,000 (2022: RM10,000,000) which is granted from a financial institution. The said facility of is secured by investment properties of the subsidiary amounting to RM18,300,000 (2022: RM17,300,000) as mentioned in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

17. Islamic financing (cont'd.)

Changes in liabilities arising from financing activities:

	Non-current RM	Current RM	Total RM
Group			
At 1 January 2023	187,062,422	450,207,880	637,270,302
Cash flows	402,900	-	402,900
Reclassification	333,131,350	(333,131,350)	-
Charged to profit or loss	1,084,402	857,795	1,942,197
At 31 December 2023	521,681,074	117,934,325	639,615,399
At 1 January 2022	635,656,938	-	635,656,938
Cash flows	(133,800)	-	(133,800)
Reclassification	(450,207,880)	450,207,880	-
Charged to profit or loss	1,747,164	-	1,747,164
At 31 December 2022	187,062,422	450,207,880	637,270,302
Fund			
At 1 January 2023	187,062,422	-	187,062,422
Reclassification	(117,868,650)	117,868,650	-
Charged to profit or loss	327,569	65,675	394,244
At 31 December 2023	69,521,341	117,934,325	187,455,666
At 1 January 2022	186,669,178	-	186,669,178
Charged to profit or loss	393,244	-	393,244
At 31 December 2022	187,062,422	-	187,062,422

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

18. Unitholders' capital

	No. of units 2023	2022	2023 RM	2022 RM
Group and Fund				
Unitholders' capital	580,000,000	580,000,000	572,545,319	572,545,319

The Fund issued 580,000,000 units of RM1 each in conjunction with the Fund's Initial Public Offering ("IPO") on the Main Market of Bursa Malaysia on 29 September 2015 of which 327,640,000 units of RM1 each were issued to vendors of the Fund's investment properties to partially finance the acquisition of the said investment properties. The remaining 252,360,000 units of RM1 each were issued as part of the IPO to institutional investors and the Malaysian public.

Details of units held by the related companies of the Manager which comprise companies related to Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4, 1968 (as amended by the Enactment No. 5, 1995), and substantial unitholders of the Fund, and their market value as of 31 December 2023 based on the Record of Depositors are as follows:

	No. of units 2023	2022	2023 RM	2022 RM
Group and Fund				
Related companies:				
Johor Corporation	24,436,600	24,436,600	11,729,568	9,041,542
Damansara Assets Sdn Bhd	278,539,417	278,539,417	133,698,920	103,059,584
Kulim (Malaysia) Berhad	27,060,600	27,060,600	12,989,088	10,012,422
Waqaf An-Nur Corporation Berhad	57,769,401	57,769,401	27,729,312	21,374,678
Johor Land Berhad	1,499,500	1,499,500	719,760	554,815
KPJ Healthcare Berhad	2,000,000	2,000,000	960,000	740,000
Kumpulan Bertam Plantations Berhad	296,000	296,000	142,080	109,520
Tenaga Utama (Johor) Berhad	7,688	7,688	3,690	2,845

Market value for purposes of disclosure above is based on the closing price of the Fund as shown on the board of the Main Market of Bursa Malaysia, which was RM0.48 per unit as at 31 December 2023 (2022: RM0.37 per unit).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

19. Management Expense Ratio ('MER')

	Group/Fund	
	2023	2022
	%	%
MER	0.72	0.69

The calculation of MER is based on the total fees of the Fund incurred for the year, including the Manager's fees, Trustee's fees, audit fee, tax agent's fee and administrative expenses, to the average net asset value of the Fund during the year calculated on a monthly basis. Since the average net asset value is calculated on a monthly basis, comparison of the MER of the Fund with other Real Estate Investment Trusts ("REIT") which use a different basis of calculation may not be an accurate comparison.

20. Significant related party transactions

For the purposes of these financial statements, related companies are considered to be related to the Group and the Fund if the Group and the Fund 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 Fund and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Significant related party transactions other than those separately disclosed elsewhere in the financial statements are as follows:

	Group		Fund	
	2023	2022	2023	2022
	RM	RM	RM	RM
Rental income received/receivable from related companies	34,671,053	37,123,527	34,671,053	37,123,527
Other property management fees charged by related companies of the Manager (included in other operating expenses)	6,118,294	5,669,715	6,118,294	5,669,715
Finance cost paid/ payable to a subsidiary	-	-	24,698,804	19,505,069

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

21. Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The carrying amount of the various financial assets and financial liabilities reflected in the statements of financial position approximate their fair values other than as disclosed below:

	Carrying amount RM	Fair value RM
Group		
At 31 December 2023		
Financial liability at amortised cost		
Islamic financing - non-current	521,681,074	453,864,788
Islamic financing - current	117,934,325	116,685,992
	639,615,399	570,550,780
At 31 December 2022		
Financial liability at amortised cost		
Islamic financing - non-current	187,062,422	170,918,728
Islamic financing - current	450,207,880	436,752,578
	637,270,302	607,671,306
Fund		
At 31 December 2023		
Financial liability at amortised cost		
Islamic financing - non-current	69,521,341	57,494,125
Islamic financing - current	117,934,325	116,685,992
Amount due to a subsidiary - non-current	448,837,893	396,370,663
	636,293,559	570,550,780
At 31 December 2022		
Financial liability at amortised cost		
Islamic financing - non-current	187,062,422	170,918,728
Amount due to a subsidiary - current	445,968,601	436,752,578
	633,031,023	607,671,306

The fair value of the non-current Islamic financing was estimated using discounted cash flow analysis based on market equivalent profit rate of 5.54% (2022: 3.53%) per annum for similar type of instruments of similar risk and cash flow profiles. The disclosure of the fair value of the non-current Islamic financing is considered a Level 2 fair value hierarchy disclosure.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

22. Financial risk management objectives and policies

The Group's and the Fund's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and Fund's portfolios whilst managing their credit risks, liquidity risks and financing rate risks. The Group and the Fund have taken measures to minimise their exposure to the risks associated with its financing, investing and operating activities and operates within clearly defined guidelines as set out in the SC Guidelines and the Fund's Trust Deed.

The following sections provide details regarding the Group's and the Fund's exposure to the above-mentioned financial risks and the objectives, policies and procedures for the management of these risks:

(a) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Group and the Fund. Credit risk with respect to trade and other receivables is managed through the application of credit approvals, credit limits and monitoring procedures. Credit is extended to the customers based upon careful evaluation of the customers' financial condition and credit history.

At the end of the reporting period, the Group's and the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade receivables, other receivables and amount due from related companies is disclosed in Note 13.

Credit risk concentration profile

The Group and the Fund determine concentrations of credit risk by monitoring individual profile of their trade receivables on an ongoing basis. At the end of the reporting period, approximately 61% (2022: 56%) of the Group's and Fund's trade receivables was due from third party. The risk of default arising from non-performance by this party is low.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Fund may encounter difficulty in meeting financial obligations on time due to shortage of funds. The Group's and the Fund's exposure to liquidity risk arises from mismatches of the maturities of financial assets and liabilities. The Group's and the Fund's approach are to maintain a balance between continuity of funding and flexibility through the use of their credit and financing facilities.

The Group and the Fund manage liquidity risk by maintaining adequate reserves, banking facilities and financing facilities, by continuously monitoring forecast and actual cash flow from their portfolios, and by matching the maturity profiles of financial assets and liabilities.

As of 31 December 2023, the current liabilities of the Group and the Fund have exceeded the current assets by RM65,123,370 and RM69,877,704 respectively. In the opinion of the Manager, the Group will be able to meet their obligations and liabilities as and when they fall due on the basis that the Group will be able to repay their borrowings when it matures.

As at the reporting date, the Group has submitted a letter to request for extension of the facility tenure of borrowing of RM118,000,000 for a further 2 years. As at the date of the financial statement, the Group is confident in obtaining the approval for the extension of tenure for repayment of borrowing for a further 2 years before maturity date on 24 March 2024.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

22. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Fund's financial liabilities as at the reporting date based on undiscounted contractual payments:

	Weighted average effective profit rate %	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	Within 2 to 5 years RM
Group					
31 December 2023					
Non-profit bearing financial liabilities:					
Other payables and accrued expenses	-	25,348,506	25,348,506	19,745,664	5,602,842
Profit bearing financial liabilities:					
Variable profit rate instruments - Islamic financing	5.61	639,615,399	747,843,300	124,265,800	623,577,500
Fund					
31 December 2023					
Non-profit bearing financial liabilities:					
Other payables and accrued expenses	-	22,491,609	22,491,609	16,888,767	5,602,842
Profit bearing financial liabilities:					
Variable profit rate instruments - Islamic financing	5.37	187,455,666	333,483,600	124,265,800	209,217,800
Amount owing to a subsidiary	6.11	448,837,893	538,401,500	-	538,401,500
Group					
31 December 2022					
Non-profit bearing financial liabilities:					
Other payables and accrued expenses	-	25,012,693	25,012,693	21,666,229	3,346,464
Profit bearing financial liabilities:					
Variable profit rate instruments - Islamic financing	4.07	637,270,302	688,695,200	470,302,800	218,392,400
Fund					
31 December 2022					
Non-profit bearing financial liabilities:					
Other payables and accrued expenses	-	24,760,066	24,760,066	21,416,449	3,343,617
Profit bearing financial liabilities:					
Variable profit rate instruments - Islamic financing	3.97	187,062,422	214,374,400	-	214,374,400
Amount owing to a subsidiary	4.28	445,968,601	470,302,800	470,302,800	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

22. Financial risk management objectives and policies (cont'd.)**(c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Fund's financial instruments will fluctuate because of changes in the market interest rates.

The Group and the Fund manage their interest rate exposure by maintaining matching their cash flows from rental income and fixed rate profit bearing deposits with the Group's and the Fund's variable rate profit bearing Islamic financing. The Group and the Fund place cash deposits on a short-term basis and therefore allows the Group and the Fund to respond to significant changes of interest rate promptly.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's and Fund's profit before tax would have been:

	Group Increase/(Decrease)		Fund Increase/(Decrease)	
	Effect on profit before tax 2023 RM	Effect on profit before tax 2022 RM	Effect on profit before tax 2023 RM	Effect on profit before tax 2022 RM
Interest rate decreased by 25 basis points	1,223,858	1,514,813	105,683	417,945
Interest rate increased by 25 basis points	(1,223,858)	(1,514,813)	(105,683)	(401,138)

The assumed movement in basis points for interest rate sensitivity analysis is based on a prudent estimate of the current market environment.

The interest rate mentioned above will have an impact on the management of the Group and the Fund, regardless of whether it is an Islamic fund or otherwise. It does not in any way suggest that the Group and the Fund will invest in conventional financial instruments. All the investments and placements carried out for the Group and the Fund are in accordance with the Shariah requirements

23. Segment reporting

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

For management purposes, the Group and the Fund are organised into the following operating divisions:

- Retail outlets
- Office buildings
- Food and beverage ('F&B') properties comprising restaurant
- Industrial and others
- Other comprising fund level operations

No information on geographical areas is presented as the Group and the Fund operate solely in Malaysia.

The accounting policies of the reportable segments below are the same as the Group's and the Fund's accounting policies described in Note 2.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

23. Segment reporting (cont'd.)

The accounting policies of the reportable segments below are the same as the Group's and the Fund's accounting policies described in Note 2.

Group	Retail outlets RM	Office buildings RM	F&B restaurants RM	Industrial & Others RM	Other - Fund level operations RM	Total RM
For the year ended 31 December 2023						
Total revenue	39,493,339	8,140,289	17,400,126	11,249,065	-	76,282,819
Total property expenses	(19,650,705)	(4,829,612)	(32,137)	(380,645)	(481,300)	(25,374,399)
Net property income	19,842,634	3,310,677	17,367,989	10,868,420	(481,300)	50,908,420
Fair value gain on investment properties	(163,440)	(1,324,000)	7,170,000	6,900,000	-	12,582,560
Investment income	132,935	-	-	-	802,846	935,781
Total income	19,812,129	1,986,677	24,537,989	17,768,420	321,546	64,426,761
Total fund expenditure	(1,500,000)	-	-	-	(6,493,106)	(7,993,106)
Operating profit/(loss)	18,312,129	1,986,677	24,537,989	17,768,420	(6,171,560)	56,433,655
Islamic financing costs	-	-	-	-	(34,550,046)	(34,550,046)
Income tax expense	-	-	-	-	(181,565)	(181,565)
Profit/(loss) for the year	18,312,129	1,986,677	24,537,989	17,768,420	(40,903,171)	21,702,044
Total assets	707,598,591	62,214,834	310,949,327	190,061,821	45,236,436	1,316,061,009
Total liabilities	17,080,376	3,193,317	592,595	99,002	648,687,862	669,653,152

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

23. Segment reporting (cont'd.)

Fund	For the year ended 31 December 2023					Total RM
	Retail outlets RM	Office buildings RM	F&B restaurants RM	Industrial & Others RM	Other - Fund level operations RM	
Total revenue	39,493,339	8,140,289	17,400,126	11,249,065	-	76,282,819
Total property expenses	(19,650,705)	(4,829,612)	(32,137)	(380,645)	(481,300)	(25,374,399)
Net property income	19,842,634	3,310,677	17,367,989	10,868,420	(481,300)	50,908,420
Fair value gain on investment properties	(163,440)	(1,324,000)	7,170,000	6,900,000	-	12,582,560
Investment income	132,935	-	-	-	802,846	935,781
Total income	19,812,129	1,986,677	24,537,989	17,768,420	321,546	64,426,761
Total fund expenditure	(1,500,000)	-	-	-	(6,733,452)	(8,233,452)
Operating profit/(loss)	18,312,129	1,986,677	24,537,989	17,768,420	(6,411,906)	56,193,309
Islamic financing costs	-	-	-	-	(34,550,046)	(34,550,046)
Income tax expense	-	-	-	-	(181,565)	(181,565)
Profit/(loss) for the year	18,312,129	1,986,677	24,537,989	17,768,420	(41,143,517)	21,461,698
Total assets	703,503,618	61,854,788	309,149,819	188,961,906	44,979,649	1,308,449,780
Total liabilities	16,922,758	3,163,849	586,213	99,002	642,702,594	663,474,415

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

23. Segment reporting (cont'd.)

The accounting policies of the reportable segments below are the same as the Group's and the Fund's accounting policies described in Note 2.

Group	Retail outlets RM	Office buildings RM	F&B restaurants RM	Industrial & Others RM	Other - Fund level operations RM	Total RM
For the year ended 31 December 2022						
Total revenue	34,098,108	8,708,342	17,833,716	11,159,894	-	71,800,060
Total property expenses	(15,603,667)	(3,951,132)	(32,719)	(297,521)	(476,400)	(20,361,439)
Net property income/(loss)	18,494,441	4,757,210	17,800,997	10,862,373	(476,400)	51,438,621
Fair value loss on investment properties	22,502,429	5,407,184	11,343,690	7,421,433	-	46,674,736
Investment income	108,361	-	-	-	403,269	511,630
Total (loss)/income	41,105,231	10,164,394	29,144,687	18,283,806	(73,131)	98,624,987
Total fund expenditure	(142,646)	-	-	-	(5,852,075)	(5,994,721)
Operating profit/(loss)	40,962,585	10,164,394	29,144,687	18,283,806	(5,925,206)	92,630,266
Islamic financing costs	-	-	-	-	(26,629,136)	(26,629,136)
Income tax expense	-	-	-	-	(585,081)	(585,081)
Profit/(Loss) for the year	40,962,585	10,164,394	29,144,687	18,283,806	(33,139,423)	65,416,049
Total assets	701,712,637	61,697,318	308,362,785	188,480,847	44,860,150	1,305,113,737
Total liabilities	16,970,040	3,172,689	-	687,129	644,498,309	665,328,167

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

23. Segment reporting (cont'd.)

Fund	Retail outlets RM	Office buildings RM	F&B restaurants RM	Industrial & Others RM	Other - Fund level operations RM	Total RM
For the year ended 31 December 2022						
Total revenue	34,098,108	8,708,342	17,833,716	11,159,894	-	71,800,060
Total property expenses	(15,603,667)	(3,951,132)	(32,719)	(297,521)	(476,400)	(20,361,439)
Net property income/(loss)	18,494,441	4,757,210	17,800,997	10,862,373	(476,400)	51,438,621
Fair value loss on investment properties	6,623,153	7,921,583	21,230,000	10,900,000	-	46,674,736
Investment income	108,361	-	-	-	403,269	511,630
Total income/(loss)	25,225,955	12,678,793	39,030,997	21,762,373	(73,131)	98,624,987
Total fund expenditure	(142,646)	-	-	-	(6,121,399)	(6,264,045)
Operating profit/(loss)	25,083,309	12,678,793	39,030,997	21,762,373	(6,194,530)	92,360,942
Islamic financing costs	-	-	-	-	(26,629,136)	(26,629,136)
Income tax expense	-	-	-	-	(585,081)	(585,081)
Profit/(Loss) for the year	25,083,309	12,678,793	39,030,997	21,762,373	(33,408,747)	65,146,725
Total assets	701,712,637	61,697,318	308,362,785	188,480,846	39,176,099	1,299,429,685
Total liabilities	16,970,040	3,172,689	-	687,127	640,006,405	660,836,261

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

24. Capital management

The Group and the Fund manage their capital to ensure that the Group and the Fund will be able to continue as going concern while maximising the return to unitholders through the optimisation of the debt and equity balance. The Group's and the Fund's overall strategy remain unchanged from 2018.

The capital structure of the Group and the Fund consist of net debt (Islamic financing as detailed in Note 17) offset by cash and bank balances in Note 14 and unitholders' capital of the Fund (Note 18) (comprising unitholders' capital and undistributed income).

The Group and the Fund are not subject to any externally imposed capital requirements. However, the Group and the Fund are required to comply with the SC Guidelines on borrowings.

The SC Guidelines requires that the total borrowings of the Group and the Fund (including Islamic financing through issuance of debt securities) should not exceed 50% of the total asset value of the Group and the Fund at the time the borrowings are incurred. Notwithstanding, the Group's and the Fund's total borrowings may exceed this limit with the sanction of the unitholders by way of an ordinary resolution.

The Manager's risk management committee reviews the capital structure of the Group and of the Fund on a regular basis to ensure that the SC Guidelines are complied with.

Gearing ratios

The Group's and the Fund's gearing ratios are calculated based on the proportion of total Islamic financing to the total asset value. The gearing ratios at the end of the reporting period is as follows:

	Group		Fund	
	2023 RM	2022 RM	2023 RM	2022 RM
Islamic financial (Note 17)	639,615,399	637,270,302	187,455,666	187,062,422
Amount due to a subsidiary	-	-	448,837,893	445,968,601
	639,615,399	637,270,302	636,293,559	633,031,023
Total assets value as per statements of financial position	1,316,061,009	1,305,113,737	1,308,449,780	1,299,429,685
Total Islamic financing total assets value ratio	48.6%	48.8%	48.6%	48.7%

25. Commitments

The Group and the Fund lease out their investment properties under operating leases. The future minimum lease payments to be received under non-cancellable leases are as follows:

	Group		Fund	
	2023 RM	2022 RM	2023 RM	2022 RM
Less than one year	36,986,062	36,747,530	36,986,062	36,747,530
Between one and five years	190,369,405	188,559,606	190,369,405	188,559,606
More than five years	335,594,250	374,390,110	335,594,250	374,390,110
	562,949,717	599,697,247	562,949,717	599,697,247



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