

AMANAHRAYA ■ REIT

INTERIM FINANCIAL STATEMENTS FOR 2ND QUARTER ENDED 30 JUNE 2009

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**AMANAHRAYA REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL REPORT FOR PERIOD ENDED 30 JUNE 2009 (UNAUDITED)**

CONDENSED BALANCE SHEETS

	Note	As At End of Current Quarter (Unaudited) 30.6.2009 RM	As At Preceding Financial Year Ended (Audited) 31.12.2008 RM
ASSET			
Non-current asset			
Investment properties		686,332,000	686,332,000
		686,332,000	686,332,000
Current assets			
Trade and other receivables		884,585	679,484
Security deposits in Trust accounts and financial institution		42,607,494	42,619,695
Deposits placed with licensed financial institutions		22,238,635	22,896,129
Cash and bank balances		336,560	3,823
		66,067,274	66,199,131
TOTAL ASSETS		752,399,274	752,531,131
LIABILITIES			
Non-current liabilities			
Borrowings	B8	253,000,000	253,000,000
		253,000,000	253,000,000
Current liabilities			
Trade and other payables		44,539,777	44,604,180
Provision for income distribution	A7	14,755,375	14,822,829
		59,295,152	59,427,009
TOTAL LIABILITIES		312,295,152	312,427,009
NET ASSET VALUE (NAV)		440,104,122	440,104,122
FINANCED BY:			
UNITHOLDERS' FUND			
Unitholders' capital		403,291,776	403,291,776
Undistributed income		36,812,346	36,812,346
Total unitholders' fund		440,104,122	440,104,122
NUMBER OF UNITS IN CIRCULATIONS ('000)		431,553,191	431,553,191
# NET ASSET VALUE (NAV) PER UNIT (RM)		1.0198	1.0198

NAV per unit is the net of provision for income distribution to unitholders of 3.419 sen per unit

(The condensed balance sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the financial statements).

AMANAHRAYA REAL ESTATE INVESTMENT TRUST
 INTERIM FINANCIAL REPORT FOR PERIOD ENDED 30 JUNE 2009 (UNAUDITED)

CONDENSED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.6.2009 RM	Preceding Corresponding Quarter 30.6.2008 RM	Current Year To-date 30.6.2009 RM	Preceding Year To-date 30.6.2008 RM
GROSS REVENUE	11,283,917	11,418,879	22,753,454	22,768,862
Assessment	(84,727)	(84,496)	(168,523)	(168,991)
Quit rent	(2,720)	(2,931)	(5,627)	(5,862)
Other property operating expenses	(702,288)	(172,035)	(902,358)	(327,514)
TOTAL PROPERTY EXPENSES	(789,735)	(259,462)	(1,076,508)	(502,367)
Net rental income	10,494,182	11,159,417	21,676,946	22,266,495
Interest income	92,314	196,855	226,674	351,870
TOTAL TRUST INCOME	10,586,496	11,356,272	21,903,620	22,618,365
TRUST EXPENSES				
Manager's fee	(337,701)	(310,478)	(671,724)	(616,734)
Trustee's fee	(45,026)	(41,396)	(89,563)	(82,231)
Administrative expenses	(58,660)	(125,344)	(116,693)	(199,760)
Interest expenses	(3,152,589)	(3,135,363)	(6,270,534)	(6,287,951)
TOTAL TRUST EXPENSES	(3,593,976)	(3,612,581)	(7,148,514)	(7,186,676)
NET TRUST INCOME	6,992,520	7,743,691	14,755,106	15,431,689
Net appreciation on fair values of investment properties - #	-	-	-	-
INCOME BEFORE TAXATION	6,992,520	7,743,691	14,755,106	15,431,689
Taxation	-	-	-	-
INCOME AFTER TAXATION	6,992,520	7,743,691	14,755,106	15,431,689
PROVISION FOR INCOME DISTRIBUTION	(6,992,520)	(7,743,691)	(14,755,106)	(15,431,689)
NET EARNINGS RETAINED	-	-	-	-

**AMANAHRAYA REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL REPORT FOR PERIOD ENDED 30 JUNE 2009 (UNAUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.6.2009 RM	Preceding Corresponding Quarter 30.6.2008 RM	Current Year To-date 30.6.2009 RM	Preceding Year To-date 30.6.2008 RM
EARNINGS PER UNIT (SEN)				
- after manager fees (sen)	1.620	1.794	3.419	3.576
- before manager fees (sen)	1.699	1.866	3.575	3.719
DISTRIBUTION PER UNIT (SEN)	1.620	1.794	3.419	3.576
EARNINGS BEFORE TAXATION IS MADE UP AS FOLLOWS:				
Realised	6,992,520	7,743,691	14,755,106	15,431,689
Unrealised	-	-	-	-
	6,992,520	7,743,691	14,755,106	15,431,689

The net appreciation on fair values of investment properties is the surplus of appraised values over acquisition costs arising from acquisition completed in the financial year or the last valuation date. This is an unrealised gain and is not available for income distribution.

(The Condensed Income Statement should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2008 and the accompanying explanatory notes attached to the financial statements).

**AMANAHRAYA REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE**

FROM 1 JANUARY 2009 TO 30 JUNE 2009 (Unaudited)

	Unitholder's Capital RM	Distributable/Undistributable Income		Total RM
		Realised RM	Unrealised RM	
At 1 January 2009	403,291,776	346	36,812,000	440,104,122
Operation for the financial period ended 30 June 2009				
Net income for the financial period	-	14,755,106	-	14,755,106
Movement in revaluation reserves	-	-	-	-
<i>Increase in net assets resulting from operations</i>	-	14,755,106	-	14,755,106
Unitholders' transactions				
Distribution to unitholders - provision	-	(14,755,106)	-	(14,755,106)
Distribution to unitholders - paid	-	-	-	-
Listing expenses	-	-	-	-
<i>Net increase in net assets resulting from unitholders' transactions</i>	-	(14,755,106)	-	(14,755,106)
At 30 June 2009	403,291,776	346	36,812,000	440,104,122

**AMANAHRAYA REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE**

FROM 1 JANUARY 2008 TO 30 JUNE 2008

	Unitholder's Capital RM	Distributable/Undistributable Income		Total RM
		Realised RM	Unrealised RM	
At 1 January 2008	404,967,105	346	-	404,967,451
Operation for the financial period ended 30 June 2008				
Net income for the financial period	-	15,431,689	-	15,431,689
Movement in revaluation reserves	-	-	-	-
<i>Increase in net assets resulting from operations</i>	<i>-</i>	<i>15,431,689</i>	<i>-</i>	<i>15,431,689</i>
Unitholders' transactions				
Distribution to unitholders - provision	-	(15,431,689)	-	(15,431,689)
Distribution to unitholders - paid	-	-	-	-
Listing expenses *	(1,488,840)	-	-	(1,488,840)
<i>Decrease in net assets resulting from unitholders' transactions</i>	<i>(1,488,840)</i>	<i>(15,431,689)</i>	<i>-</i>	<i>(16,920,529)</i>
At 30 June 2008	403,478,265	346	-	403,478,611

* Listing expenses refers to expenses incurred for capital listing of shares issued under the second capital injection.

(The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2008 and the accompanying explanatory notes attached to the financial statements).

**AMANAHRAYA REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL REPORT FOR PERIOD ENDED 30 JUNE 2009 (UNAUDITED)**

CONDENSED CASH FLOW STATEMENT

	Current Year To-date 30.6.2009 RM	Preceding Year To-date 30.6.2008 RM
Cash Flows From Operating Activities		
Income before taxation	14,755,106	15,431,689
Adjustment for:-		
Interest expense	6,270,534	6,287,951
Interest income	(226,674)	(351,870)
Operating income before working capital changes	<u>20,798,966</u>	<u>21,367,770</u>
Changes in working capital:-		
(Increase)/Decrease in trade and other receivables	(205,101)	85,267,437
Decrease/(Increase) in security deposits in Trust accounts and financial institution	12,201	(1,391,242)
Decrease in trade and other payables	(64,403)	(79,743,064)
Net cash from operating activities	<u>20,541,663</u>	<u>25,500,901</u>
Cash Flows From Investing Activities		
Interest received	226,674	351,870
Enhancement of investment properties	-	(4,000,000)
Net cash from/(used in) investing activities	<u>226,674</u>	<u>(3,648,130)</u>
Cash Flows From Financing Activities		
Distribution paid to unitholders	(14,822,560)	(6,285,483)
Listing expenses	-	(1,488,840)
Interest paid	(6,270,534)	(6,287,951)
Net cash used in financing activities	<u>(21,093,094)</u>	<u>(14,062,274)</u>
Net (decrease)/increase in cash and cash equivalents	(324,757)	7,790,497
Cash and cash equivalents at beginning of the period	22,899,952	17,670,858
Cash and cash equivalents at end of the period	<u>22,575,195</u>	<u>25,461,355</u>
Cash and cash equivalents comprise:-		
Cash and bank balances	336,560	320,201
Deposits placed with licensed financial institutions	22,238,635	25,141,154
	<u>22,575,195</u>	<u>25,461,355</u>

(The Condensed Cash Flow Statement should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2008 and the accompanying explanatory notes attached to the financial statements).

**AMANAHRAYA REAL ESTATE INVESTMENT TRUST
QUARTERLY UNAUDITED FINANCIAL RESULT FOR THE 2ND QUARTER ENDED
30 JUNE 2009**

**A. DISCLOSURE REQUIREMENTS AS PER FINANCIAL REPORTING STANDARDS (FRS) 134
(FORMERLY KNOWN AS MALAYSIAN ACCOUNTING STANDARDS BOARD (MASB) 26)**

A1. BASIS OF PREPARATION

The quarterly financial report is unaudited and has been prepared in accordance with FRS 134 and Chapter 9, Part M3 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation used in the preparation of the quarterly financial report are consistent with those adopted in the preparation of the audited financial information of AmanahRaya Real Estate Investment Trust (ARREIT or "Trust") for year ended 31 December 2008.

A2. AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2008

The audit report of the Trust's financial statements for the financial year ended 31 December 2008 was not subject to any qualification.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

A4. EXCEPTIONAL OR UNUSUAL ITEMS

A further provision of RM500,000 has been made for rectification work in relation to landslip occurred in December 2008.

A5. CHANGES IN ESTIMATES

This is not applicable as no estimates were previously reported.

A6. DEBTS AND EQUITY SECURITIES

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

A7. INCOME DISTRIBUTION

A provision was made to distribute 100% of the income before tax (unaudited) for the period ended 30 June 2009 amounting to RM14,755,106.

A8. SEGMENTAL REPORTING

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

**AMANAHRAYA REAL ESTATE INVESTMENT TRUST
QUARTERLY UNAUDITED FINANCIAL RESULT FOR THE 2ND QUARTER ENDED
30 JUNE 2009**

**A. DISCLOSURE REQUIREMENTS AS PER FINANCIAL REPORTING STANDARDS (FRS) 134
(FORMERLY KNOWN AS MALAYSIAN ACCOUNTING STANDARDS BOARD (MASB) 26)**

A9. VALUATION OF INVESTMENT PROPERTIES

For the quarter under review, there was an appreciation in the fair values of the investment properties held.

A10. SIGNIFICANT SUBSEQUENT EVENTS

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

A11. CHANGES IN THE COMPOSITION OF THE TRUST

There were no changes in the composition of ARREIT for the current quarter and the total number of units issued stands at 431,553,191 units.

A12. CONTINGENT LIABILITIES

There were no contingent liabilities to be disclosed.

**AMANAHRAYA REAL ESTATE INVESTMENT TRUST
 QUARTERLY UNAUDITED FINANCIAL RESULT FOR THE 2ND QUARTER ENDED
 30 JUNE 2009**

**B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.22 (APPENDIX 9B, PART A) OF
 BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

B1. REVIEW OF PERFORMANCE

For the quarter ended 30 June 2009, the Trust recorded a total revenue of RM11,376,231 (preceding corresponding quarter - RM11,615,734) including interest income of RM92,314 (preceding corresponding quarter - RM196,855). Total expenditure for the quarter under review was RM4,383,711 (preceding corresponding quarter - RM3,872,043), of which RM789,735 (preceding corresponding quarter - RM259,462) were attributable to property expenses and RM3,593,976 (preceding corresponding quarter - RM3,612,581) to non property expenses. For the quarter under review, income before taxation (realised) and available for distribution amounted to RM6,992,520.

As of to-date, ARREIT has made a provision for income distribution amounting to RM14,775,106 (equivalent to 100% of the realised income before tax), to be paid out before 31 August 2009.

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

	Current Quarter 30.6.2009 RM	Preceding Quarter 31.3.2009 RM
Revenue		
- Gross revenue (rental income)	11,283,917	11,469,537
- Interest income	92,314	134,360
Total	<u>11,376,231</u>	<u>11,603,897</u>
Expenses		
Property expenses	(789,735)	(286,773)
Non property expenses	(3,593,976)	(3,554,538)
Total	<u>(4,383,711)</u>	<u>(3,841,311)</u>
Total trust income (realised)	6,992,520	7,762,586
Net appreciation on fair values of investment properties (unrealised)	-	-
Earnings before taxation	<u>6,992,520</u>	<u>7,762,586</u>

The Trust's revenue for the current quarter ended 30 June 2009 decreased from RM11,603,897 to RM11,376,231, whereas earnings before taxation declined from RM7,762,586 to RM6,992,520. The lower revenue in the current quarter was mainly due to reduced in rental income for Wisma AmanahRaya Berhad, Jalan Semantan whereby additional loss of income was incurred for both the building rental and car park rental due to the evacuation period as a result of a landslip in the last quarter of year 2008, as well as the inconvenience experienced by the staff for using the car park after the landslip. In addition, the lower interest income was due to lower amount of excess cash placed with financial institutions subsequent to the payment of the interim distribution in the first quarter. The earnings before taxation has decreased by 9.9% in the current quarter as compared to the preceding quarter, mainly due to an additional provision of RM500,000 under property expenses for further costs to be incurred in relation to the landslip.

B3. PROSPECTS

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

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

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

**AMANAHRAYA REAL ESTATE INVESTMENT TRUST
 QUARTERLY UNAUDITED FINANCIAL RESULT FOR THE 2ND QUARTER ENDED
 30 JUNE 2009**

**B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.22 (APPENDIX 9B, PART A) OF
 BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

B4. VARIANCES

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

B5. PURCHASE OF INVESTMENT PROPERTIES

There was no acquisition of investment property during the quarter under review.

B6. INCOME TAX EXPENSE

In accordance with the amendment of Section 61A of the Income Tax Act, 1967 under the Finance Act 2006, where in the basis period for a year of assessment, 90% or more of the total income of the Trust is distributed to unitholders, the total income of the trust for the year of assessment shall be exempted from tax.

Thus, based on a 100% income distribution for the current quarter, the Trust has not provided any tax expenses for the period.

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

	Current Quarter Year 30.6.2009 RM	Preceding Corresponding Quarter 30.6.2008 RM	Current Year To-date 30.6.2009 RM	Preceding Year To-date 30.6.2008 RM
Earnings before taxation	6,992,520	7,743,691	14,755,106	15,431,689
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Taxation at Malaysia				
Statutory tax rate @ 25% (2008-26%)	1,748,130	2,013,360	3,688,777	4,012,239
Non-deductible expenses	150,922	43,352	176,564	73,318
Effect of tax exempt income	(23,079)	(51,182)	(56,669)	(91,486)
Effect of income distribution exempted from tax	(1,875,973)	(2,005,530)	(3,808,672)	(3,994,071)
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Tax expenses	-	-	-	-
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**AMANAHRAYA REAL ESTATE INVESTMENT TRUST
 QUARTERLY UNAUDITED FINANCIAL RESULT FOR THE 2ND QUARTER ENDED
 30 JUNE 2009**

**B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.22 (APPENDIX 9B, PART A) OF
 BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

B7. CORPORATE PROPOSAL AND DEVELOPMENT

There were no corporate proposals during the current quarter and period-to-date.

B8. BORROWINGS AND DEBT SECURITIES

	Current Financial Period To-date 30.6.2009 RM	Current Year To-date 31.3.2009 RM
Long term borrowings		
- secured	253,000,000	253,000,000

The borrowings are secured by way of legal charge against all properties of the Trust.

B9. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

B10. MATERIAL LITIGATION

There was no material litigation as at the date of issuance of this report.

B11. INCOME DISTRIBUTION

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

<u>Type of unit holder</u>	<u>Rate of tax</u>
Resident unitholders;	
- Resident company	No withholding tax; tax at prevailing corporate tax rate
- Unitholders other than a resident company	Withholding tax at 10%; effective from 1 January 2009 to 31 December 2011 (2008 - withholding tax 15%)

There were no corporate proposals during the current quarter and period-to-date.

Non-resident unitholders;	
- Non-resident company	Withholding tax at 25%; effective from 1 January 2009 to 31 December 2011 (2008 - withholding tax 26%)
- Non-resident institutional investor	Withholding tax at 10%; effective from 1 January 2009 to 31 December 2011 (2008 - withholding tax 20%)
- Non-resident other than company and institutional investors	Withholding tax at 10%; effective from 1 January 2009 to 31 December 2011 (2008 - withholding tax 15%)

**AMANAHRAYA REAL ESTATE INVESTMENT TRUST
 QUARTERLY UNAUDITED FINANCIAL RESULT FOR THE 2ND QUARTER ENDED
 30 JUNE 2009**

**B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.22 (APPENDIX 9B, PART A) OF
 BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

B12. EARNINGS PER UNIT

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

	Current Quarter 30.6.2009 RM	Current Year To-date 30.6.2009 RM
Earnings after taxation	6,992,520	14,755,106
Total number of units issued	431,553,191	431,553,191
Earnings per unit (sen)	1.620	3.419

B13. DISTRIBUTION PER UNIT

The distribution per unit of the Trust has been computed by dividing the provision for income distribution for the period by the total number of units issued.

	Current Quarter 30.6.2009 RM	Current Year To-date 30.6.2009 RM
Provision for income distribution	6,992,520	14,755,106
Total number of units issued	431,553,191	431,553,191
Distribution per unit (sen)	1.620	3.419

By Order of the Board

ZAINUL ABIDIN BIN HJ. AHMAD

CHU KUM YOON (f)

SEE SIEW CHENG (f)

Joint Company Secretaries

AmanahRaya-JMF Asset Management Sdn Bhd (Company No. 309646-H)

(As the Manager of AmanahRaya Real Estate Investment Trust)

Kuala Lumpur

Dated:28 August 2009