

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

INTRODUCTION

This Third Quarter report covers the months of July, August and September 2016. The presentation of AWQAF's quarterly financial reports is in line with Bursa Malaysia's emphasis on greater corporate disclosure, both in content and frequency. Quarterly financial reports can be viewed as an indication of how AWQAF as an organisation is progressing within the yearly reporting cycle. It will aid members and investors not only in predicting the probable outcome of the company, but more importantly, to strengthen reporting systems and institutionalise AWQAF's corporate governance and accountability standards, ultimately enhancing members', investors', and the general public's confidence in AWQAF as a responsible corporate entity.

AWQAF is not technically required to comply with the stipulated regulations. Nevertheless, this unaudited condensed interim financial statements are presented in order to keep members and the public fully abreast with AWQAF's quarterly performance position. It should be noted that AWQAF applied the same accounting policies and methods of computation in the quarterly financial statements as are applied in its annual financial statements.

The biggest advantage of these quarterly financial reports is that it enhances communication and flow of information between AWQAF and members as well as the interested public in line with AWQAF's aspiration to become a fully community-driven Waqf Institution to realize the objectives of Business Jihad and economically empower the Muslim Community to prosper everyone. In addition, the public and prospective investors can also be kept up to date with the latest information affecting AWQAF at regular, quarterly intervals throughout the financial year.

FINANCIAL POSITION

	As at 30/9/2016 (Unaudited) RM	As at 31/12/2015 (Audited) RM
NON CURRENT ASSETS		
Property, Plant & Equipment	10,032	6,708
Development Cost	1,473,692	400,000
	<u>1,483,724</u>	<u>406,708</u>
CURRENT ASSETS		
Prepayment for Purchase of Land	4,086,217	4,030,600
Deposit from Purchaser	3,089,893	2,630,068
Cash and Bank Balances	156,723	390,085
	<u>7,332,833</u>	<u>7,050,753</u>
CURRENT LIABILITIES		
Trade Payables	894,378	-
Other Payables and Advances	6,704,744	6,583,379
	<u>7,599,122</u>	<u>6,583,379</u>
NET CURRENT ASSETS		
	<u>(266,289)</u>	<u>467,374</u>
	<u>1,217,435</u>	<u>874,082</u>
FUND		
Waqaf	1,673,391	1,040,600
ZuriatCARE	132,406	146,550
Accumulated Deficit	(588,362)	(313,068)
	<u>1,217,435</u>	<u>874,082</u>

Assets

Development costs have increased by RM1.07 million (268 per cent). Deposit from purchaser increased by RM0.46 million and Prepayment for purchase of land increased by RM0.05 million. As at 30 September 2016, deposit from purchaser consisted primarily booking fees and deposit received for the sale of commercial property namely PERSADA AWQAF that located at Presinct

3, Putrajaya. Cash and bank balances decreased by 60% due to the utilisation to support the daily operation of AWQAF.

Liabilities

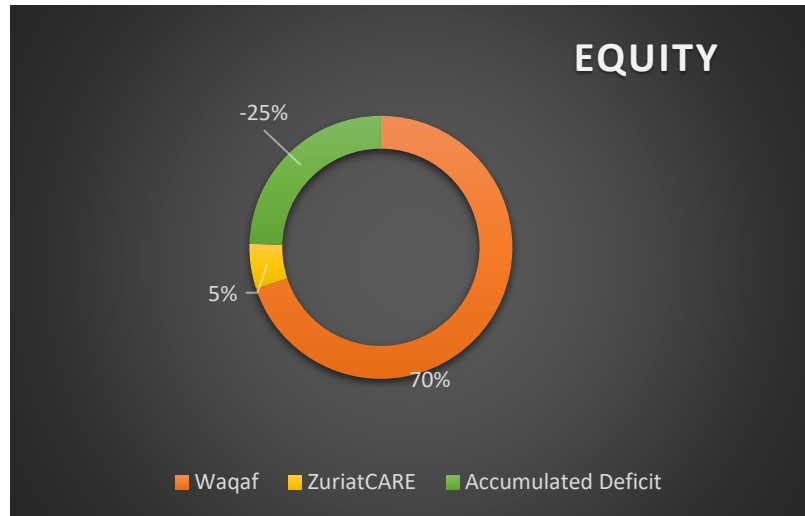
The other payables and advances represents approximately 88 per cent of AWQAF's total liabilities. In the third quarter, other payables and advances consisted primarily amount received from purchasers kept in the trustee accounts and advances received to support the development of PERSADA AWQAF. This liability increases over time with the growth in demand for the commercial property and is also subject to progress development of the project.

The second largest liability on the statement of financial position consists of trade payables. The main components of the trade payables are the consultants involved in the development project of PERSADA AWQAF that includes land surveyor, quantity surveyor, town planner, architect, civil and structure consultant, mechanical and electrical consultant, landscape consultant, and environment impact consultant. Amount due for project delivery partner were also taken up in the trade payables. As at 30 September 2016, RM 0.89 million represented the trade payables, RM6.7 million represented the other payables and advances.

It should also be noted that AWQAF's negative net current asset position is expected to be a temporary situation and is expected to turn positive in the next Quarter.

Equity

AWQAF's primary equity includes RM1.67 million of accumulated wakaf fund and a RM0.13 million ZuriatCARE fund. Accumulated wakaf fund increased by RM 0.63 million from the same period reported at 31 December 2015. The accumulated deficit has increased to RM 0.59 million from RM 0.31 million in the second quarter last year.



PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	RM	RM	RM	RM
Revenue	1,100	150	3,300	650
Other Income	34	92	769	442
Administrative and Operating Expenses	(105,107)	(38,267)	(279,363)	(79,326)
Deficit from Operating Activities	(103,973)	(38,025)	(275,294)	(78,234)
Taxation	-	-	-	-
Deficit of the Year	(103,973)	(38,025)	(275,294)	(78,234)

This quarterly report covers the months of July, August and September 2016. Over this period, AWQAF focused mostly on the project and the development of PERSADA AWQAF, that includes project funding and financing, marketing and promotions and daily operational AWQAF's

membership. AWQAF's primary source of income for the year is revenue derived from investments in the development project of PERSADA AWQAF. The recognition of revenue is yet to be realized since AWQAF is still in the process of transferring the ownership of land for the PERSADA AWQAF development project. The agreement between AWQAF and Putrajaya Holdings Berhad ("PJH") was duly signed on 26 March 2015.

Total income for the third quarter of 2016 was only RM4,069 which is the membership registration fees and other income, an increase of RM2,977 compared with the same period in the previous year. AWQAF's administrative and operating expenses consists mainly office rental, participation in exhibition, and salaries. In the third quarter of 2016, total expenses were RM279,363 compared to the same period in the last year, which was only RM79,326 an increase of RM200,037. In line with the matching principle, the expenses related to the development project are yet to be recognized in the same accounting period as the related revenues are unrecognized.

As a result, a deficit of RM275,294 was recorded in the third quarter 2016, compared with RM78,234 at 30 September 2015. It should be noted that the sales of PERSADA AWQAF have yet to be recognized as revenues, as the respective land for the project are under formalization process of ownership transfers. At 30 September 2016, deposit and booking fees received from the sales of PERSADA AWQAF has reached to RM3,089,893. Consequently, in line with the accounting principle, the expenses related to the PERSADA AWQAF project are also due to be recognized accordingly.