

AMANAH HARTA TANAH PNB



ANNUAL REPORT
2014



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CORPORATE INFORMATION

MANAGER

Pelaburan Hartanah Nasional Berhad (175967-W) (Incorporated in Malaysia)

REGISTERED OFFICE OF THE MANAGER

Tingkat 4, Balai PNB 201-A, Jalan Tun Razak, 50400 Kuala Lumpur
Telephone: 03-20505100 Facsimile: 03-20505878 E-mail: phnb@pnb.com.my

BOARD OF DIRECTORS OF THE MANAGER

Tun Ahmad Sarji bin Abdul Hamid (Chairman)
Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman
Tan Sri Dato' Seri Ainum binti Mohamed Saaid
Dato' Seri Mohd. Hussaini bin Abdul Jamil
Dato' Seri (Dr.) Abd. Wahab bin Maskan
Dato' Idris bin Kechot
Encik Hafidz Atrash Kosai bin Mohd Zihim

SECRETARY OF THE MANAGER

Adibah Khairiah binti Ismail @ Daud (MIA 13755)
Tingkat 4, Balai PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur

MANAGEMENT OF THE MANAGER

Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman (Executive Director)
Dato' Idris bin Kechot (Executive Director)
Hafidz Atrash Kosai bin Mohd Zihim (Executive Director/Chief Executive Officer)

TRUSTEE

AmanahRaya Trustees Berhad (766894-T)
Tingkat 2, Wisma TAS, No. 21, Jalan Melaka, 50100 Kuala Lumpur
Telefon: 03-20365000 Facsimile: 03-20720320

INVESTMENT MANAGER

Permodalan Nasional Berhad (38218-X)
Tingkat 4, Balai PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur

PROPERTY MANAGER

IM Global Property Consultants Sdn. Berhad (701223-X)
47-2, 2nd Floor, Wisma IMG, Jalan 3/76D, Desa Pandan, 55100 Kuala Lumpur

REGISTRAR OF THE TRUST IN CHARGE OF THE REGISTER OF UNITHOLDERS

Symphony Share Registrars Sdn. Berhad (378993-D)
Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46
47301 Petaling Jaya, Selangor Darul Ehsan
Telephone: 03-78418000 Facsimile: 03-78418151/52

AUDITORS

Messrs. Hanafiah Raslan & Mohamad (AF 0002)

SOLICITORS ADVISING THE MANAGER IN CONNECTION WITH THE TRUST

Messrs. Zainal Abidin & Co.

BANKERS FOR THE TRUST

Maybank Islamic Berhad (787435-M)
CIMB Islamic Bank Berhad (671380-H)

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK NAME / STOCK CODE

AHP / 4952

WEBSITE

www.ahp.com.my

STATEMENT BY THE CHAIRMAN OF THE MANAGER

On behalf of the Board of Directors of Pelaburan Hartanah Nasional Berhad (PHNB), as the Manager of Amanah Harta Tanah PNB (AHP), it is my pleasure to present the Annual Report of AHP for the year ended December 31, 2014.

FINANCIAL RESULTS

For the year ended December 31, 2014, AHP earned total income of RM8,809,815 (2013: RM8,456,717) comprising net rental income of RM7,778,866 (2013: RM8,597,202), other investment income which comprise of income from deposit with financial institutions, gain on disposal of quoted shares, gross dividend of RM491,377 (2013: RM925,427), and unrealised gain on valuation of quoted shares and real estates of RM539,572 (2013: unrealised loss of RM1,065,912). During the year under review, AHP incurred total expenses comprising manager's fee, trustee's fee, auditors' remuneration, financing cost and other trust expenditure amounting to RM2,971,954 (2013: RM2,495,509), giving a net income before taxation for the year of RM5,837,861 (2013: RM5,961,208).

For the year ended December 31, 2014, AHP has recorded a decrease of RM123,347 or 2.1% in income before taxation from the preceding year which is mainly attributed to the lower rental income and the increase in other trust expenses, the effect of which have been reduced by the unrealised gain recorded during the year as a result of the mandatory revaluation of real estate pursuant to Clause 10.03 of the Guidelines on Real Estate Investment Trust issued by the Securities Commission Malaysia. Income after taxation for 2014 of RM3,887,172, represents a reduction of RM2,074,036 or 34.8% from RM5,961,208 recorded in 2013. The reduction is due to the deferred tax of RM1,950,689 charged for the year in relation to the real property gains tax ("RPGT") on the revaluation surplus. With effect from the year of assessment 2014, RPGT of 5% is chargeable on gains from disposal of real property for disposal made in the sixth and subsequent years from the date of acquisition. This deferred tax is unrealised in nature and it does not impact the income distribution capacity of AHP.

DISTRIBUTION OF INCOME

The Board of Directors and the Trustee, AmanahRaya Trustees Berhad (ART), have approved a final income distribution of 3.70 sen a unit for the period from July 1, 2014, to December 31, 2014, which is payable on February 27, 2015. With an interim income distribution of 3.70 sen a unit for the period from January 1, 2014, to June 30, 2014, which was paid on August 29, 2014, the total income distribution for the financial year ended December 31, 2014, amounts to RM7.4 million or 7.40 sen a unit. Despite the reduction in income before taxation as explained earlier, AHP has managed to maintain the same level of income distribution rate since 2011.

INVESTMENT PORTFOLIO OF AHP

The value of the investment of AHP as at December 31, 2014, amounted to RM182.6 million. This comprises investment in real estate at a fair value of RM170.0 million, investment in quoted shares at market value of RM2.4 million and short-term investment of RM10.2 million.



INVESTMENT IN REAL ESTATE

As at December 31, 2014, the real estate in the portfolio of AHP now stood at six (6) following the completion of disposal of one (1) shop premise located in Butterworth, Penang. The average occupancy rate of the real estates of AHP was 87.2% with four of the six real estate namely Sri Impian, located at Taman Setiawangsa, Kuala Lumpur and three shopoffices located in Kuala Lumpur and Kota Kinabalu, securing 100% occupancy levels. Plaza VADS, located at Taman Tun Dr. Ismail, Kuala Lumpur, recorded a high occupancy level of 86.6% despite the on-going upgrading works. Bangunan AHP, which is also located at Taman Tun Dr. Ismail, Kuala Lumpur, recorded an occupancy level of 81.3%. The upgrading of Plaza VADS (the Project) which is now in Phase 2 is expected to be completed in April 2015. Phase 2 of the Project involves the construction of new annex block and refurbishment of the main lobby and building façade. Phase 1 of the Project which was completed in April 2012, involved the refurbishment and upgrading works to typical lifts lobbies, toilets, staircases, common corridors, electrical fit-out and fire protection. The total estimated cost of construction for both phases is approximately RM59 million.

REVIEW OF THE PROPERTY MARKET

For the Purpose-Built-Office (PBO), some 194,798 sq. m of new space was supplied into the market for the first half of 2014; reflecting a meagre increase of 1.0% from the December 2013. There was a 136,041 sq. m new supply of shopping complex injected in the first half of 2014, recording a marginal 1.1% increase from the December 2013.

On the demand side, occupancy rate for PBO in Malaysia in the first half of 2014 stood at 78.4%; a slight increase from the second half of 2013 of 77.5%. Similar pattern in occupancy rate movement was observed in the shopping complex segment. From 80.1% occupancy nationwide recorded in the second half of 2013, the occupancy rate rose up slightly to 81.3% in the first half of 2014.

As at the end of the first half of 2014, Kuala Lumpur accounted for 40.8% of the total PBO space nationwide. The share of Kuala Lumpur's PBO against the total national PBO had increased modestly from 40.5% recorded in the end of second half of 2013. This indicates a rising concentration of commercial activities in the capital. Latest available statistics from National Property Information Centre (NAPIC) reported that the average rentals of PBO in Kuala Lumpur City Centre/Golden Triangle including areas such as Jalan Ampang, Jalan Tun Razak and Jalan Pinang during the first half of 2014, rose 1.7% to RM58.42 per sq. m/month (RM5.42 per sq. f/month) from RM57.37 per sq. m/month (RM5.33 per sq. f/month) recorded in the second half of 2013. The rentals of PBO Within City Centre (WCC) which covers areas such as Jalan Bangsar, Wangsa Maju and Mid Valley for the same period rose higher by 1.8% to RM47.47 per sq. m/month (RM4.41 per sq. f/month). On the same note, suburban areas including Sri Petaling, Damansara and Cheras, registered an accelerated rental rate growth of 3.1% to RM42.52 per sq. m (RM3.95 per sq. f/month) from the second half of 2013 to the first half of 2014.

PROSPECTS

Effective from April 2015 the implementation of Good and Service Tax (GST) will generally impact the business community, including commercial property owners. Rental income from residential properties is exempted from GST. Nevertheless, the same exemption does not apply to rental income from commercial properties. All properties with commercial title, such as shop lots, offices and retail outlets are subjected to the 6% GST on rental income.

NAPIC forecasted the commercial property subsector will expanding by 9.5% over the next three years (annualised 3.2%). PBO subsector is expected to receive another 2.09 million sq. m or 10.9% of existing stock within the next three years (annualised 3.6%). A large number of incoming supply of PBO will be in Kuala Lumpur and Selangor, which estimated to welcome another 1.15 million sq. m (55.0% from national incoming supply) and 379,940 sq. m (18.1% of national incoming supply); respectively.

Likewise, the shopping complex and industrial subsectors are estimated to increase 9.5% (annualised 3.2%) and 10.7% (annualised 3.6%) respectively within the next three years. As of the second half of 2014, it was estimated that there would be 1.17 million sq. m of incoming supply of shopping complex and 10,220 units of industrial units within the next three years.

APPRECIATION

I would like to extend my appreciation to members of the Board of Directors of PHNB for their continuous support throughout the year. On behalf of the members of the Board of Directors of PHNB, I would also like to convey our appreciation to all staff members of PHNB for their hard work and dedication. I would also like to thank AmanahRaya Trustees Berhad and its staff members for their contribution to AHP and express our appreciation to the unit holders of AHP for their continued support to AHP.

TUN AHMAD SARJI BIN ABDUL HAMID

Chairman

PROFILE OF THE DIRECTORS OF THE MANAGER

TUN AHMAD SARJI BIN ABDUL HAMID

(Non-Independent Non-Executive Chairman)

Tun Ahmad Sarji bin Abdul Hamid, aged 76, a Malaysian, was appointed to the Board of Directors of PHNB on January 22, 1997, by virtue of his position as the Chairman of Permodalan Nasional Berhad (PNB). Prior to his appointment as the Chairman of PNB, Tun Ahmad Sarji was the Chief Secretary to the Government. He had more than 35 years of experience in the public service.

He was selected as the "Tokoh Maal Hijrah" for the Islamic year 1420 (1999) and the Director of the Year Award by the Malaysian Institute of Directors in 1999. He was President, Commonwealth Association for Public Administration and Management from 1996 to 1998. Tun Ahmad Sarji also represents the PNB Group as Chairman of several companies. In 2012, he was conferred by the Europe Business Assembly, the Queen Victoria Commemorative Medal.

Tun Ahmad Sarji graduated from the University of Malaya in 1960. He also holds a Masters Degree in Public Administration from Harvard University, United States of America and a Diploma in Public Administration from the Institute of Social Studies, Hague, Netherlands. He was conferred the Honorary Degree of Doctor of Science (Management) by the Universiti Utara Malaysia, Doctor of Business Administration by the Nottingham-Trent University, United Kingdom, Doctor of Letters by the Universiti Malaysia Sarawak, and Doctor of Management by International Islamic University, Malaysia, and Distinguished Honorary Degree of Doctor of Management by Universiti Malaysia Perlis. He was appointed Chairman of the Second National Economic Consultative Council on August 4, 1999.

Tun Ahmad Sarji is formerly the Chairman of the Institute of Islamic Understanding Malaysia, a member of the Board of Trustees, Oxford Centre for Islamic Studies, University of Oxford, United Kingdom, and the Asian Institute of Management, Manila, Philippines, and Joint-Chairman, Malaysia Centre for Commonwealth Studies, University of Cambridge, United Kingdom.



PROFILE OF THE DIRECTORS OF THE MANAGER (CONTD.)



TAN SRI DATO' SRI HAMAD KAMA PIAH BIN CHE OTHMAN (Non-Independent Executive Director)

Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman, aged 63, a Malaysian, was appointed as a Director of PHNB on June 24, 1998, following his appointment as the Group Chief Executive of PNB on February 1, 1998. His working experience spans over 33 years in the field of investment and unit trust management and currently he is the President and Group Chief Executive of PNB. He is also a member of the Board of Directors of PNB, Amanah Saham Nasional Berhad and Amanah Mutual Berhad as well as a member of the Board of Trustees of the Merdeka Heritage Trust.

Tan Sri Dato' Sri Hamad Kama Piah is also the Chairman of the Board of Directors of Universiti Malaysia Kelantan since May 2007 and sits on the Board of Directors of a number of Malaysian companies. A graduate of Institut Teknologi MARA, Tan Sri Dato' Sri Hamad Kama Piah also holds Honorary Doctorate in Economics and Muamalat Administration from Universiti Sains Islam Malaysia, Honorary Doctorate in Business Administration from universiti Tenaga Nasional, Malaysia, and Masters Degree from Swansea University, United Kingdom. Tan Sri Dato' Sri Hamad Kama Piah is also a Senior Fellow of the Financial Services Institute of Australasia, a Certified Financial Planner with the Malaysian Financial Planning Council. He also holds the designation of a Certified Financial Planner and a Registered Financial Planner, and represents the PNB Group as Director in several other companies.

TAN SRI DATO' SERI AINUM BINTI MOHAMED SAAID (Independent Non-Executive Director)

Tan Sri Dato' Seri Ainum binti Mohamed Saaid, aged 68, a Malaysian, was appointed to the Board of Directors of PHNB on March 31, 2009. She also sits on the Board of Directors of Permodalan Nasional Berhad and Amanah Saham Nasional Berhad. Tan Sri Dato' Seri Ainum holds a Bachelor Degree in Law from the University of Singapore and a Masters Degree in law from the University of Brussels.

Tan Sri Dato' Seri Ainum was Deputy Chief Executive in the Securities Commission from 1991 to 2001, and served as Attorney General in 2001. She joined the private sector as an Executive Director in Pengkalan Holdings Berhad in 1996. She served as Group Legal Advisor for the Corus Hotels Group UK and later joined Laura Ashley in UK in 2002. She was then appointed Laura Ashley UK's Joint Chief Executive Officer and resigned as its Chief Executive Officer in January 2005. Tan Sri Dato' Seri Ainum was appointed as an Independent Non-Executive Director of Sime UEP Properties Berhad from March 2005, to November 2007.



PROFILE OF THE DIRECTORS OF THE MANAGER (CONTD.)



DATO' SERI MOHD. HUSSAINI BIN ABDUL JAMIL

(Independent Non-Executive Director)

Dato' Seri Mohd. Hussaini bin Abdul Jamil, aged 78, a Malaysian, was appointed to the Board of Directors of PHNB on November 12, 1998. Dato' Seri Mohd. Hussaini graduated with a Bachelor of Arts (Hons) Degree from University of Malaya in 1960 and obtained a Post Graduate Diploma in Development Planning from the University of London, United Kingdom in 1973.

During his more than 30 years in Government service, he has occupied various senior positions. In 1982, he was appointed as the Deputy Secretary-General of the Treasury of Malaysia. In 1990 he was appointed as Secretary-General of the Ministry of Health until his retirement in 1991. Dato' Seri Mohd. Hussaini is also currently a Director of several other companies.

DATO' SERI (Dr.) ABD. WAHAB BIN MASKAN

(Independent Non-Executive Director)

Dato' Seri (Dr.) Abd. Wahab bin Maskan, aged 64, a Malaysian, was appointed to the Board of Directors of PHNB on September 17, 1990.

Dato' Seri (Dr.) Abd. Wahab is the Group Chief Operating Officer of Sime Darby Berhad. He is also the Managing Director of Sime Darby Property Berhad. Dato' Seri (Dr.) Abd. Wahab had held the positions of Group Chief Executives of Kumplulan Guthrie Berhad (KGB) and Golden Hope Plantation Berhad.

Dato' Seri (Dr.) Abd. Wahab was awarded FIABCI Malaysia Property CEO of the year 2012 and South East Asia Property Personality Award 2014. He has also held positions as Director of a number of local and overseas companies dealing in Property, Plantation and other sectors. He is also a director of listed Eastern & Oriental Berhad.

Dato' Seri (Dr.) Abd. Wahab holds a Bachelor of Science Degree in Management (Real Estate) from the University of Reading, England. He hold Honorary Doctorate from Univerity Putra Malaysia. He is a Fellow of the Royal Institution of Surveyors (Malaysia) (FRISM), a Fellow of the Royal Institution of Chartered Surveyors (England and UK) (FRICS) and a Fellow of the Incorporated Society Planters (FISP) and a Fellow of Malaysian Institute of Management (FMIM).



PROFILE OF THE DIRECTORS OF THE MANAGER (CONTD.)



DATO' IDRIS BIN KECHOT (Non-Independent Executive Director)

Dato' Idris bin Kechot, aged 59, a Malaysian, was appointed to the Board of Directors of PHNB on March 3, 2010. He also sits on the Board of Directors of Amanah Saham Nasional Berhad and Amanah Mutual Berhad. He graduated with a Master of Business Administration (Finance) from University of Stirling, United Kingdom.

Dato' Idris is also the Deputy President, Unit Trust, PNB and has held various key positions in the management of PNB.

ENCIK HAFIDZ ATRASH KOSAI BIN MOHD ZIHIM FCA (Ireland), CA (Malaysia) (Non-Independent Executive Director/Chief Executive Officer)

Encik Hafidz Atrash Kosai bin Mohd Zihim, aged 39, a Malaysian, was appointed as the Chief Executive Officer of PHNB since August 30, 2010, and was appointed to the Board of Directors of PHNB on November 21, 2014.

Encik Hafidz is a Fellow of the Institute of Chartered Accountants in Ireland (FCA Ireland) and a Chartered Accountant (CA) of the Malaysian Institute of Accountants. He also holds a Capital Market Services Representative's License from the Securities Commission of Malaysia. He graduated with a First Class Honours Degree in Accounting and Finance from Leicester DeMontfort University, England.

Encik Hafidz has wide experience in the investment and financial sectors. Prior to joining PNB, he was attached with a renowned investment bank and prior to that, was involved in the accounting and auditing sector where he trained professionally and completed his articleship as a Chartered Accountant. He joined PNB in 2003 in the Corporate Finance Department before joining the Office of the President and Group Chief Executive of PNB. Consequently, he was attached to the Corporate Services Department prior to his transfer to PHNB in early 2010.

Besides shouldering professional responsibility in PHNB, Encik Hafidz holds important posts in voluntary organizations such as the Vice President for the Famemas Malaysia Sports Supporters Club and as the President of the Malaysian Irish Alumni Association. He is also the President of his Residents' Association and Secretary for his local Rukun Tetangga.

Encik Hafidz has no family relationship with any of the directors and/or major unitholders of AHP. He also has no conflict of interest with AHP and has not been convicted for any offences other than traffic offences within the past 10 years.



PARTICULARS OF DIRECTORS OF THE MANAGER

Board of Directors' Attendance Record

Director	Attendance (No. of Meetings Held: 5)	Date of Appointment
Tun Ahmad Sarji bin Abdul Hamid	5/5	22.01.1997
Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman	4/5	24.06.1998
Tan Sri Dato' Seri Ainum binti Mohamed Saa'id	4/5	31.03.2009
Dato' Idris bin Kechot	5/5	03.03.2010
Dato' Seri (Dr.) Abd. Wahab bin Maskan	5/5	17.09.1990
Dato' Seri Mohd. Hussaini bin Abdul Jamil	4/5	12.11.1998
Encik Hafidz Atrash Kosai bin Mohd Zihim	1/1	21.11.2014

Other Information

(i) Relationship

There were no family relationship among the Directors and/or major unit holders.

(ii) Conflict of Interest

None of the Directors has any conflict of interest with AHP, except Dato' Seri Mohd. Hussaini bin Abdul Jamil who holds 12,000 units in AHP.

(iii) Conviction for Offences

None of the directors has been convicted for any offences other than traffic offences within the past ten (10) years.

(iv) Board of Committee

The Board of Directors of the management company has established a Property Investment Committee to assist the Board in discharging its duties. Members of the Property Investment Committee comprise members from the Board of Directors as well as external members, who are as follows:-

No. Member

- 1 Dato' Seri Mohd. Hussaini bin Abdul Jamil (Chairman)
- 2 Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman
- 3 Dato' Johan bin Ariffin
- 4 Dato' Ir. Jamaluddin bin Osman
- 5 Professor Datuk Dr. Nik Mohd. Zain bin Haji Nik Yusof

There were no other board committee established by the management company. However, the financial statements of AHP were presented to the Audit Committee of Permodalan Nasional Berhad (PNB), being the holding company of the management company. None of the members of the Audit Committee of PNB were the directors of the management company.

(v) Directors' Training

All directors have attended various in-house and external programmes to enable them to discharge their duties and responsibilities effectively. In addition, all directors are encouraged to attend seminars, conferences and various training programmes to keep abreast with developments in the real estate industry.

Conferences, seminars and training programmes attended by directors in the current year are as follows:

- Property Investment Analysis Workshop
- Lean Management System Training
- Anti Money Laundering and Anti Terrorism Financing Seminar for Directors and Senior Management
- Applied Behavioral Finance in Equity Investment
- Senior Leadership Programme by IMD
- Effective Fixed Income Portfolio Management
- Global Asset Management & Asia Capital Market - Issues & Challenges in Investment Decision Making 2014/2015
- Great Companies Deserve Great Boards and Great Boards Leading The Way for Highly Innovative Companies
- Managing Business Risk and Creating Opportunities with GST Implementation
- Mandatory Accreditation Programme for Directors of Public Listed Companies
- Senior Management Luncheon Talk on Health

PARTICULARS OF DIRECTORS OF THE MANAGER (CONTD.)

(vi) Other Directorship of Public Companies

Director	Public Companies
Tun Ahmad Sarji bin Abdul Hamid	<ol style="list-style-type: none"> 1. NCB Holdings Berhad 2. Yayasan Pelaburan Bumiputra 3. Permodalan Nasional Berhad 4. Amanah Saham Nasional Berhad 5. Kontena Nasional Berhad 6. The International Commonwealth University of Malaysia Berhad 7. Amanah Mutual Berhad 8. Yayasan Karyawan 9. Professional Golf of Malaysia
Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman	<ol style="list-style-type: none"> 1. Permodalan Nasional Berhad 2. Amanah Saham Nasional Berhad 3. Amanah Mutual Berhad 4. Yayasan Karyawan 5. Securities Industry Dispute Resolution Centre 6. Professional Golf of Malaysia 7. Sime Darby Berhad 8. Sime Darby Property Berhad
Tan Sri Dato' Seri Ainum binti Mohamed Saaid	<ol style="list-style-type: none"> 1. Permodalan Nasional Berhad 2. Amanah Saham Nasional Berhad
Dato' Seri Mohd. Hussaini bin Abdul Jamil	Nil
Dato' Seri (Dr) Abd. Wahab bin Maskan	<ol style="list-style-type: none"> 1. Eastern & Oriental Berhad 2. Sime Darby Property Berhad 3. Kuala Lumpur Golf & Country Club Berhad
Dato' Idris bin Kechot	<ol style="list-style-type: none"> 1. Amanah Capital Malaysia Berhad 2. Northport (Malaysia) Berhad
Encik Hafidz Atrash Kosai bin Mohd Zihim	Nil

PROFILE AND PARTICULARS OF MEMBERS OF THE PROPERTY INVESTMENT COMMITTEE

DATO' SERI MOHD. HUSSAINI BIN HAJI ABDUL JAMIL (Independent Chairman)

Please refer to Directors' Profile

TAN SRI DATO' SRI HAMAD KAMA PIAH BIN CHE OTHMAN (Non-independent Member)

Please refer to Directors' Profile

DATO' JOHAN BIN ARIFFIN (Independent Member)

Dato' Johan bin Ariffin, aged 55, a Malaysian, was appointed as a member of the Property Investment Committee of the Board of Directors on January 4, 2004. Dato' Johan graduated with a Bachelor of Arts Degree in Economics from Indiana University, Bloomington Indiana, USA in 1980 and obtained his MBA (Marketing) from University of Miami, Coral Gables, Florida, USA in 1981

Presently, Dato' Johan is the Chairman of Mitraland Properties Sdn Bhd and a Board Member of Malayan Banking Berhad and Sime Darby Property Berhad. He is also currently a Director of several other companies.

DATO' IR. JAMALUDDIN BIN OSMAN (Independent Member)

Dato' Ir Jamaludin bin Osman, aged 59, a Malaysian was appointed as a member of the Property Investment Committee of the Board of Directors on January 4, 2004.

Dato' Ir Jamaludin holds a degree in Civil Engineering from University Teknologi Malaysia and in 1992, completed a Management Development Programme with the Asian Institute of Management. He is a registered professional engineer with the Board of Engineers Malaysia and a member of the Institute of Engineers Malaysia.

Dato' Ir Jamaludin started his career as a civil engineer with the Development Authority of Pahang Tenggara in 1979 and subsequently with Dewan Bandaraya Kuala Lumpur. In 1981, he joined Petronas as a Project Engineer, after which he spent 19 eventful years at Syarikat Perumahan Pegawai Kerajaan (SPPK). This served as a platform for him to nurture his marketing and management skills, which led to his appointment as Managing Director of SPPK in 1999, and eventually as Group Managing Director of renowned Island & Peninsular Berhad, property developer in 2005.

With diverse functional and industry background over a period that spans more than three decades, Dato' Ir. Jamaludin has assumed the role of Group Managing Director of the I&P Group of Companies with full accountability across the areas of operational excellence, financial controls, strategic planning and human resource development with an excellent track record in providing leadership to the I&P Group. He also sits on the board of the I&P Group and its subsidiaries and Projek Lintasan Kota Holdings Sdn. Berhad.

PROFESSOR DATUK DR. NIK MOHD. ZAIN BIN HAJI NIK YUSOF (Independent Member)

Prof. Datuk Dr. Nik Mohd. Zain bin Haji Nik Yusof, aged 68, a Malaysian, was appointed as a member of the Property Investment Committee of the Board of Directors on January 4, 2004.

Prof. Datuk Dr. Nik Mohd Zain graduated with honours from University of Malaya in 1969. Obtained his Masters in Wisconsin, USA and later gained a PhD in law from University of Kent, UK.

Previously, Prof. Datuk Dr. Nik Mohd Zain held key positions in both private and government bodies such as Director of Bank Rakyat and FELDA group of Companies, Director General of Department of Land and Mines, Malaysia, Secretary General of Ministry of Land and Cooperative Development, and Federal Lands Commissioner of Malaysia. In 2002, he represented Malaysia on the dispute over Pulau Sipadan and Pulau Ligitan at the International Court of Justice (ICJ) in Hague, Holland.

Prof. Datuk Dr. Nik Mohd Zain served as professor at the School of Land Administration and Land Development of Universiti Teknologi Malaysia from 2003 to January 2005. Presently he runs his own land and property consulting company called BIG Property Consultants Sdn. Berhad. He also a member of the Malaysian Administrative & Diplomatic Service and the Chairman of Yayasan Peneroka Negara. He is appointed as Adjunct Professor at the Department of Land Management of University Putra Malaysia from January 2006.

Property Investment Committee Members' Attendance Record

Member	Attendance (No. of Meetings Held: 2)	Date of Appointment
Dato' Seri Mohd. Hussaini bin Abdul Jamil	2/2	04.01.2004
Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman	2/2	04.01.2004
Dato' Johan bin Ariffin	2/2	04.01.2004
Dato' Ir Jamaluddin bin Osman	0/2	04.01.2004
Professor Datuk Dr. Nik Mohd. Zain bin Haji Nik Yusof	1/2	04.01.2004

Other Information

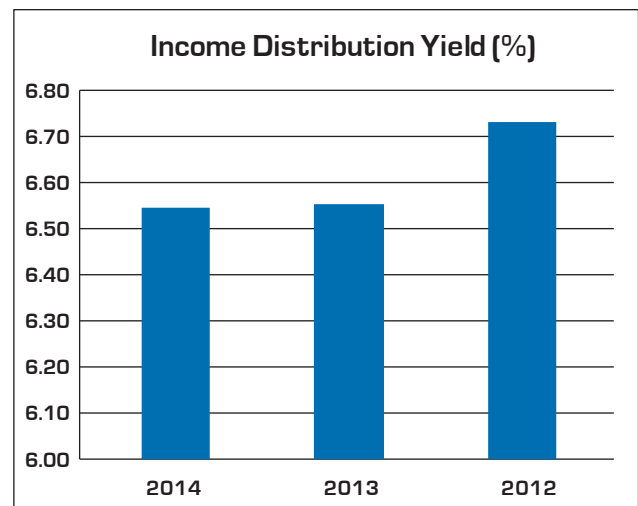
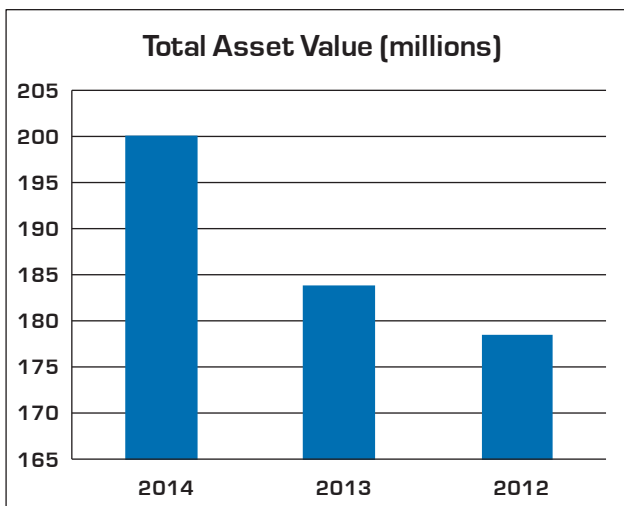
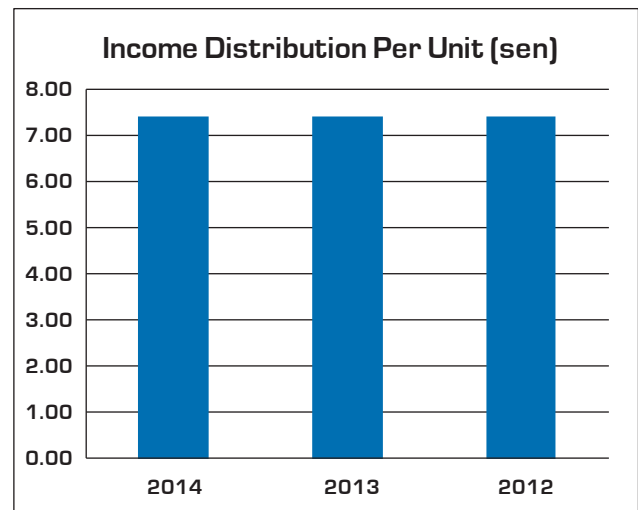
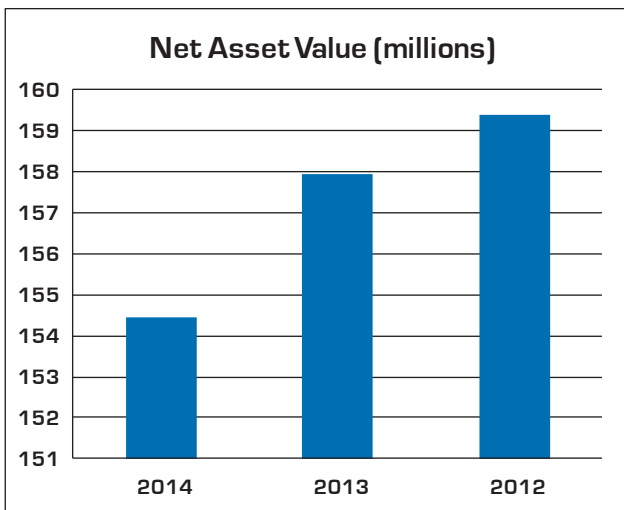
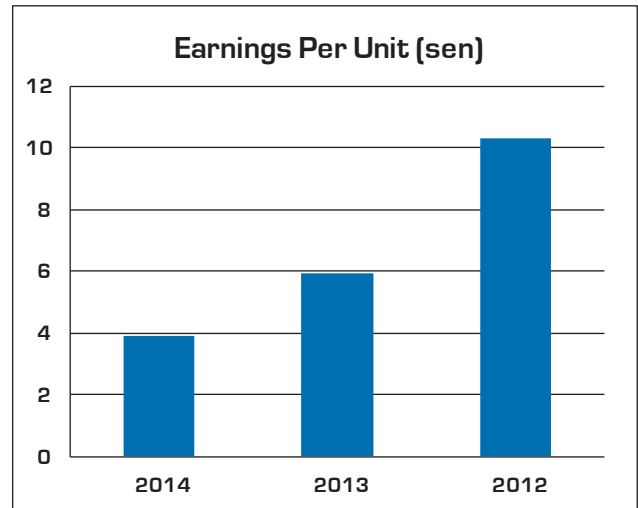
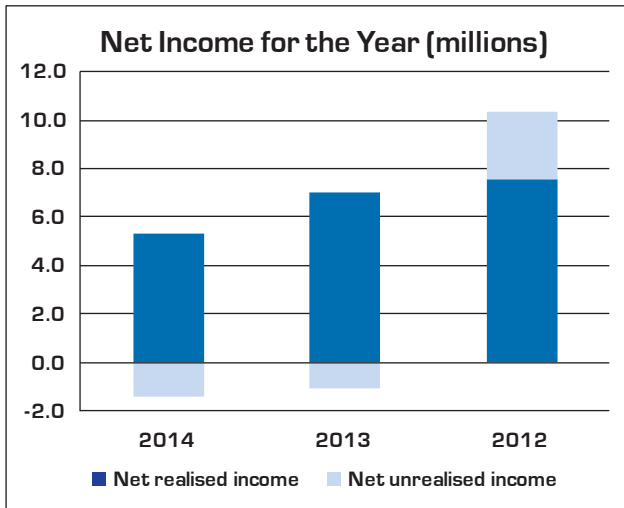
(i) Conflict of Interest

None of the members of property investment committee has any conflict of interest with AHP, except Dato' Seri Mohd. Hussaini bin Abdul Jamil who holds 12,000 units in AHP.

(ii) Conviction for Offences

None of the members has been convicted for any offences other than traffic offences within the past ten (10) years.

FINANCIAL SUMMARY



PERFORMANCE DATA

PERFORMANCE HIGHLIGHTS

Financial Year Ended December 31,	2014	2013	2012
Statement of Financial Position			
Total Asset Value (RM'000)	200,173	183,967	178,566
Total Islamic Financing (RM'000)	38,466	20,767	14,390
Net Asset Value before final income distribution (RM'000)	154,441	157,954	159,393
Net Asset Value after final income distribution (RM'000)	150,741	154,254	155,693
Net Asset Value per Unit			
- Before final income distribution (sen)	154.44	157.95	159.39
- After final income distribution (sen)	150.74	154.25	155.69
- Highest Net Asset Value (sen)	158.47	157.95	159.39
- Lowest Net Asset Value a unit (sen)	154.44	156.41	154.05
Unit in Circulation ('000)	100,000	100,000	100,000
Statement of Comprehensive Income			
Net property income (RM'000)	7,779	8,597	9,166
Income after taxation			
- Realised (RM'000)	5,298	7,027	7,559
- Unrealised (RM'000)	(1,411)	(1,066)	2,765
	3,887	5,961	10,324
Earnings per unit			
- Realised (sen)	5.30	7.03	7.56
- Unrealised (sen)	(1.41)	(1.07)	2.76
	3.89	5.96	10.32
Distribution to Unit holders			
- Interim (RM'000)	3,700	3,700	3,700
Date of Distribution	29/08/2014	30/08/2013	28/08/2012
- Final (RM'000)	3,700	3,700	3,700
Date of Distribution	27/02/2015	28/02/2014	28/02/2013
	7,400	7,400	7,400
Income Distribution per unit *			
- Interim (sen)	3.70	3.70	3.70
- Final (sen)	3.70	3.70	3.70
	7.40	7.40	7.40
Ratios			
Management Expense Ratio (%)	1.24	1.16	1.47
Portfolio Turnover Ratio (times)	0.97	0.87	0.81
Gearing Ratio (%)	20.90	11.29	8.06
Distribution Yield (%)	6.55	6.55	6.73
Unit Price Performance			
Closing market price (RM)	1.13	1.13	1.10
Highest traded price per unit (RM)	1.23	1.27	1.11
Lowest traded price per unit (RM)	1.09	1.06	1.03
Average price per unit (RM)	1.16	1.13	1.07

Note: * Exempted from tax at Trust level

PERFORMANCE DATA (CONTD.)

AVERAGE ANNUAL RETURN

	One Year %	Three Years %	Five Years %	Since 1989 %
AHP	6.55	9.25	11.31	7.79
Kuala Lumpur Composite Index (KLCI)	(5.36)	4.90	6.78	6.89
Property Index (Benchmark)	(0.32)	8.85	10.52	1.59

ANNUAL TOTAL RETURN FOR THE LAST FIVE FINANCIAL YEARS

Financial Year Ended December 31,	2014	2013	2012	2011	2010
Total Return (%)	6.55	9.45	11.81	13.54	15.43
Capital Return (%)	-	2.73	4.76	6.06	7.60
Income Return (%)	6.55	6.55	6.73	7.05	7.27
Property Index (Benchmark)	(0.32)	22.74	3.22	(2.07)	30.59

COMPUTATION OF RETURN

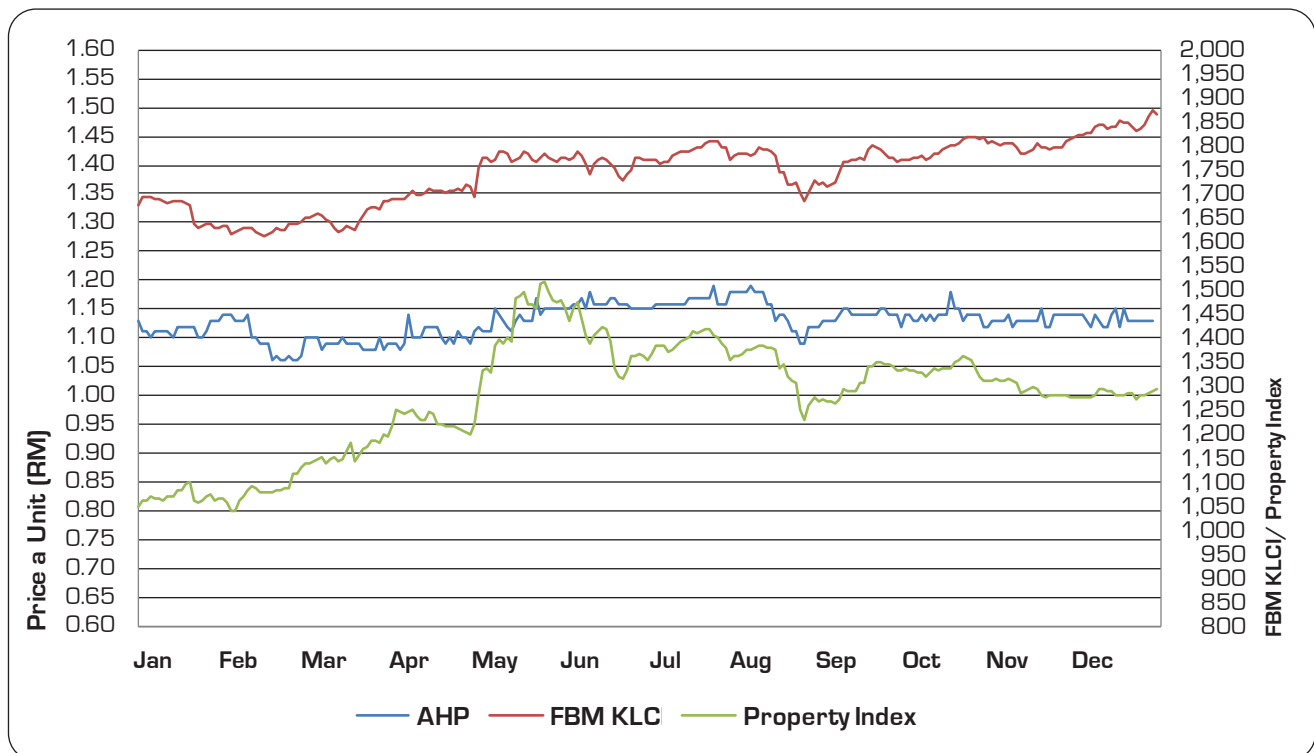
Total return: $[(1 + \text{Capital Return}/100) \times (1 + \text{Income Return}/100) - 1] \times 100$

Capital return: $\frac{(\text{End of Year Market Price} - \text{Beginning of Year Market Price}) \times 100}{\text{Beginning of Year Market Price}}$

Income return : $\frac{\text{Income Distribution}}{\text{End of Year Market Price}}$

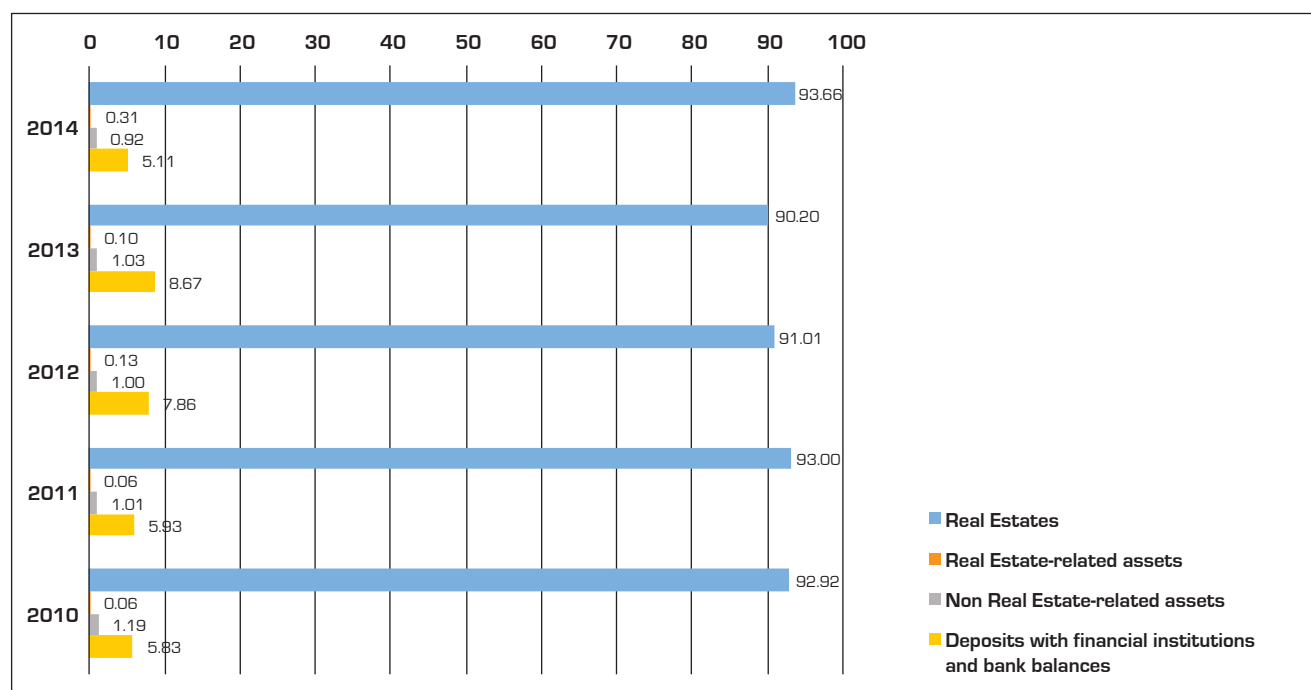
NOTE: Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

MARKET PRICE PER UNIT FOR THE YEAR 2014

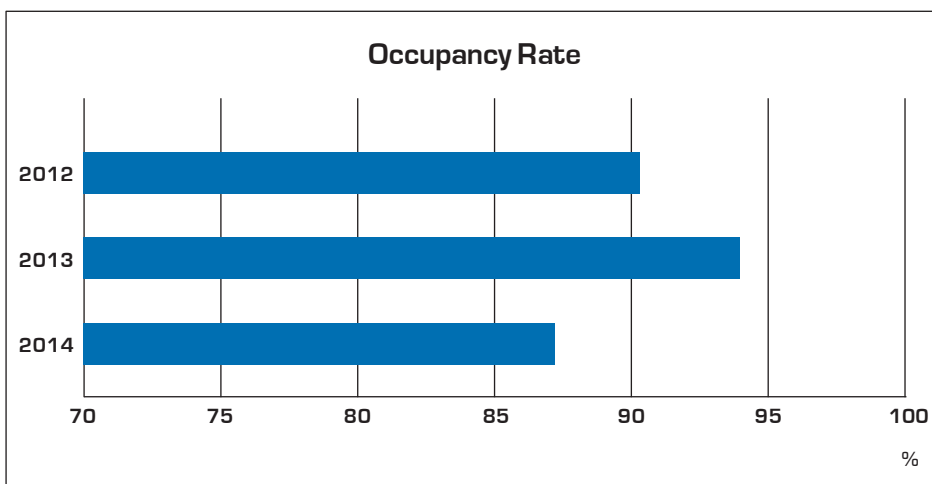
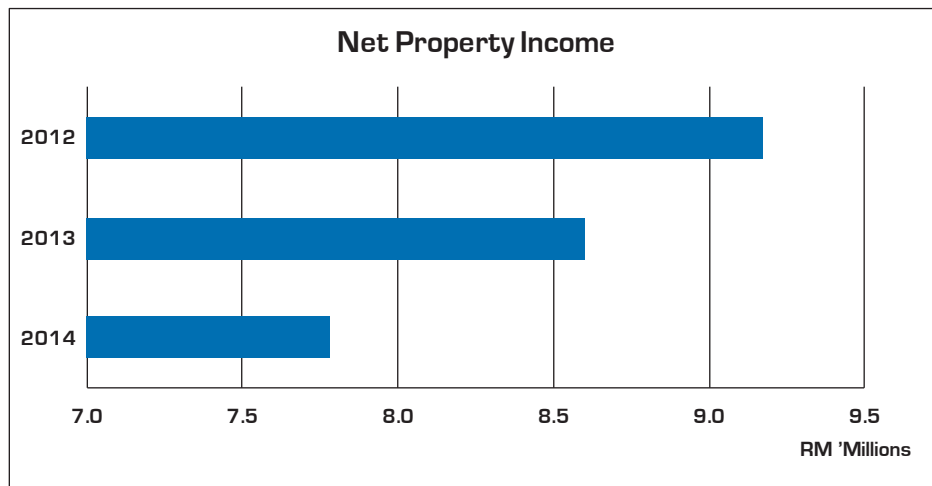
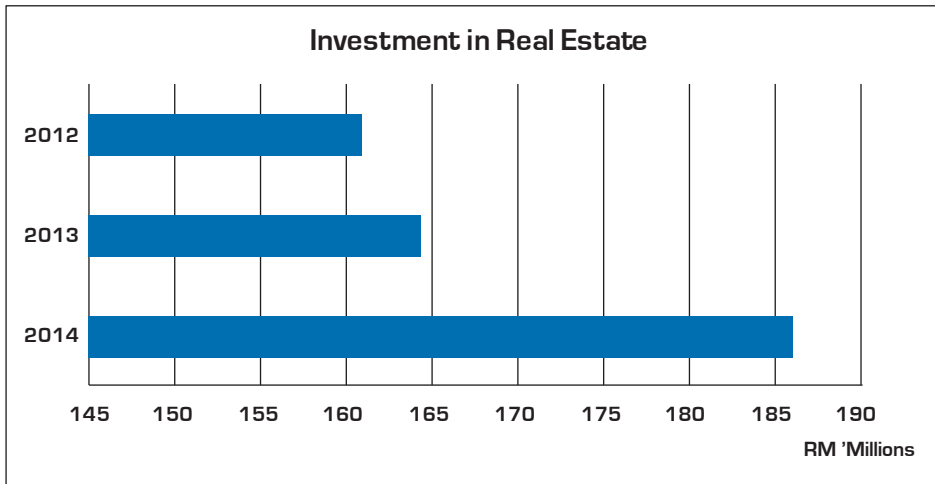


COMPOSITION OF INVESTMENT PORTFOLIO

	2014 %	2013 %	2012 %	2011 %	2010 %
Real Estate					
- Plaza VADS, Taman Tun Dr Ismail, Kuala Lumpur	59.67	54.83	56.48	54.81	52.79
- Bangunan AHP, Taman Tun Dr Ismail, Kuala Lumpur	23.50	25.22	23.72	24.75	26.20
- Sri Impian, Taman Setiawangsa, Kuala Lumpur	6.69	6.58	6.21	6.48	6.69
- Shopoffice, Taman Tun Dr Ismail, Kuala Lumpur	2.01	1.64	1.58	1.65	1.59
- Shopoffice, Jalan Negara, Taman Melawati, Kuala Lumpur	0.96	0.66	0.62	0.65	0.64
- Shopoffice, Kota Kinabalu, Sabah	0.83	0.82	0.85	0.88	0.90
- Shopoffice, Taman Inderawasih, Butterworth, Penang	-	0.44	0.45	0.53	0.61
- Shopoffice, Lorong Selangor, Taman Melawati, Kuala Lumpur	-	-	-	1.77	1.59
- Shopoffice, Off Jalan Rubber, Kuching, Sarawak	-	-	0.56	0.59	0.70
- Shopoffice, Jalan Permaisuri, Miri, Sarawak	-	-	0.54	0.56	0.56
- Shopoffice, Jalan Semabok, Melaka	-	-	-	0.32	0.29
- Shopoffice, Kangar, Perlis	-	-	-	-	0.35
Sub-total	93.66	90.20	91.01	93.00	92.92
Real estate-related assets					
- Real estate investment trust	0.28	0.09	0.13	0.04	0.04
- Property	0.03	0.01	-	0.02	0.02
Sub-total	0.31	0.10	0.13	0.06	0.06
Non-real estate-related assets					
- Consumer products	0.06	0.07	0.07	0.04	0.04
- Finance	0.31	0.35	0.29	0.27	0.27
- Trading	0.48	0.54	0.52	0.55	0.68
- Infrastructure project	-	-	0.05	0.05	0.08
- Plantations	0.07	0.08	0.09	0.10	0.11
Sub-total	0.92	1.03	1.00	1.01	1.19
Deposits with financial institutions and bank balances	5.11	8.67	7.86	5.93	5.83
Total	100.00	100.00	100.00	100.00	100.00



REAL ESTATE SNAPSHOT





REAL ESTATE PORTFOLIO - PLAZA VADS

Description of Real Estate and Location	24-Storey Office Building, Taman Tun Dr Ismail, Kuala Lumpur	Method of Valuation	Comparison and Investment
Land Tenure	Freehold	Date of Valuation	1 December 2014
Date of Acquisition	21 March 1989	Valuer	W.M Malik & Kamaruzaman
Age of Building	25 years	Occupancy rate	87%
Net Lettable Area	190,445 sq.ft.	Major Tenant	VADS Berhad
Cost of Acquisition	RM45.91 million	Average Tenancy Period	3 years
Total Cost including CAPEX	RM96.43 million	Rental Review and Expiry	2015
Net Book Value	RM105.46 million	Average Rental	RM3.56 psf
Latest Valuation	RM102.40 million	Maintenance Cost	RM919,072
Revaluation Deficit	RM3.06 million	No. of Parking Bays	402
		Encumbrances	Charged to Financial Institution



REAL ESTATE PORTFOLIO - BANGUNAN AHP

Description of Real Estate and Location	Four-Storey Commercial Building Taman Tun Dr. Ismail, Kuala Lumpur	Date of Valuation	1 December 2014
Land Tenure	Freehold	Valuer	W.M Malik & Kamaruzaman
Date of Acquisition	21 March 1989	Occupancy rate	81%
Age of Building	25 years	Major Tenant	1. Hwang-DBS Investment Bank Bhd. 2. Silverlake Innovative Partners Sdn Bhd
Net Lettable Area	96,154 sq.ft.	Average Tenancy Period	3 years
Cost of Acquisition	RM16.32 million	Rental Review and Expiry	1. 2016 2. 2015
Total Cost including CAPEX	RM33.52million	Average Rental	RM3.35 psf
Net Book Value	RM46.23 million	Maintenance Cost	RM427,641
Latest Valuation	RM46.70 million	No. of Parking Bays	200
Revaluation Surplus	0.47 million	Encumbrances	-
Method of Valuation	Comparison and Investment		



REAL ESTATE PORTFOLIO - SRI IMPIAN

Description of Real Estate and Location	Four-Storey Office Building Taman Setiawangsa, Kuala Lumpur	Method of Valuation	Comparison and Investment
Land Tenure	Freehold	Date of Valuation	1 December 2014
Date of Acquisition	15 May 1996	Valuer	W.M Malik & Kamaruzaman
Age of Building	24 years	Occupancy rate	100%
Net Lettable Area	38,290sq.ft.	Major Tenant	I&P Harta Sdn Bhd
Cost of Acquisition	RM13.32 million	Average Tenancy Period	3 years
Total Cost including CAPEX	RM13.77 million	Rental Review and Expiry	2016
Net Book Value	RM12 million	Average Rental	RM2.30 psf
Latest Valuation	RM13.30 million	Maintenance Cost	RM12,985
Revaluation Surplus	RM1.30 million	No. of Parking Bays	Nil
		Encumbrances	-



TTDI, KL



KK, SABAH



PBM, KL

REAL ESTATE PORTFOLIO - SHOP OFFICES

Description of Real Estate and Location	Land Tenure	Age of Building (years)	Net Lettable Area (sq. ft.)	Date of Acquisition	Cost of Acquisition (RM'000)	Total Cost including CAPEX (RM'000)	Valuation in 2014 (RM'000)	Net Book Value (RM'000)	Revaluation Surplus (RM'000)	Occupancy Rate (%)	Maintenance Cost (RM'000)	Average Tenancy Period	Average Rental (RM/sq.ft./month)	Rental Review and Expiry	Major Tenants
3-Storey shopoffice Jalan Wan Kadir 4 Taman Tun Dr. Ismail Kuala Lumpur	Freehold	16	5,280	16/10/1995	910	910	4,000	3,000	1,000	100	1	2.3 years	1.94	2015	1. Rozel Corporation Sdn Bhd 2. Skylce Sdn Bhd 3. CF Cabinet Warehouse
Ground & First Floor, Blok G Asia City Kota Kinabalu, Sabah	Leasehold (99 years expiring on 31.12.2082)	17	3,100	12/12/1995	1,653	1,653	1,650	1,500	150	100	7	3 years	4.19	2017	Amanah Saham Nasional Berhad
4-storey Shopoffice Lot 224, Jalan Negara 2, Pusat Bandar Melawati, Kuala Lumpur	Freehold	24	6,705	30/08/1996	783	814	1,900	1,200	700	100	1	2 years	1.09	2016	ARH Juruukur Bahan Sdn. Berhad

Note: The value as at 1 December 2014 was based on valuation dated 1 December 2014 by W.M. Malek using the comparison and investment method of valuation in accordance with the Malaysian Valuation Standards.

LIST OF REAL ESTATE DISPOSED AS AT 31 DECEMBER 2014

Description of Real Estate and Location	Purchaser	Date of Disposal	Disposal Price	Market Value	Gain / (loss) on Disposal	Name of Valuer
Four-Storey Shopoffice Jalan Chainferry Taman Inderawasih Butterworth, Penang	M. Kaleesvaran a/1 Manikam	07.03.2014	800,000	800,000	-	Azmi & Co (Penang) Sdn. Bhd. (Chandra Mohan Krishnan)

ANALYSIS OF UNITHOLDINGS

Unitholders' Capital as at 31 December 2014

Authorised : 1,000,000,000 units

Issued and fully paid : 100,000,000 units

Distribution of Unitholders as at 31 December 2014

Unit Class	No. of Unitholders	Percentage of Unitholders	No. of Unitholdings	Percentage of Unitholdings
Less than 100	26	0.39	664	0.00
100 - 1,000	2,699	40.95	2,268,584	2.27
1,001 - 10,000	3,070	46.59	12,308,887	12.31
10,001 - 100,000	722	10.96	22,062,165	22.06
100,001 to less than 5% of issued units	71	1.08	17,287,700	17.29
5% and above of issued units	2	0.03	46,072,000	46.07
Total	6,590	100.00	100,000,000	100.00

Classification of Unitholders as at 31 December 2014

Category of Unitholders	Number of Unitholders			Numbers of Unitholdings			Percentage		
	Malaysian		Foreign	Malaysian		Foreign	Malaysian		Foreign
	Bumi	Non-Bumi		Bumi	Non-Bumi		Bumi	Non-Bumi	
Individuals	2,303	3,699	52	8,753,371	30,146,141	2,200,010	8.76	30.15	2.20
Body Corporate									
a. Banks/ Finance Companies	7	-	-	46,141,000	-	-	46.14	-	-
b. Investment Trusts/ Foundations	-	3	-	-	362,000	-	-	0.36	-
c. Other Types of Companies	12	30	-	416,500	2,143,100	-	0.42	2.14	-
Government Agencies/ Institutions	2	-	-	24,000	-	-	0.02	-	-
Nominees	265	153	64	3,042,265	2,429,113	4,342,500	3.04	2.43	4.34
Total	2,589	3,885	116	58,377,136	35,080,354	6,542,510	58.38	35.08	6.54
	6,590			100,000,000			100.00		

ANALYSIS OF UNITHOLDINGS

30 Largest Unit holders as at 31 December 2014

No	Unit holders	Units Held	Percentage of Units in Issue
1.	AmanahRaya Trustees Berhad (Skim Amanah Saham Bumiputera) ⁽¹⁾	41,008,500	41.01
2.	Permodalan Nasional Berhad ⁽¹⁾⁽²⁾	5,063,500	5.06
3.	Jang Wan @ Yang Chi Chek	1,020,000	1.02
4.	Tan Teck Peng	950,000	0.95
5.	Popular Industries Sdn. Berhad	639,200	0.56
6.	Liew Yoon Yee	632,000	0.55
7.	Gan Tuan Boon	500,000	0.50
8.	Chong Kon Ling	457,300	0.46
9.	Public Invest Nominees (Asing) Sdn Bhd (Exempt AN for Phillip Securities Pte. Ltd)	443,100	0.44
10.	Toh Hock Chooi	414,000	0.41
11.	Citigroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tey Rose)	410,000	0.41
12.	Abdul Rahim bin Bidin	402,400	0.40
13.	BOH Plantations Sdn. Bhd	385,000	0.39
14.	Kwang King Chuan	376,000	0.38
15.	BOH Plantations Sdn. Berhad	333,800	0.33
16.	Ng Heng Heem	328,200	0.33
17.	Cimsec Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lim Chen Yik)	325,000	0.33
18.	TA Nominees (Tempatan) Sdn. Berhad (Pledged Securities Account for Chor Sek Choon)	310,000	0.31
19.	Cimsec Nominees (Asing) Sdn Bhd Exempt AN For CIMB Securities (Singapore) Pte Ltd	287,900	0.29
20.	RAM Holdings Berhad	286,900	0.29
21.	Maybank Nominees (Tempatan) Sdn Bhd (A/C for Ng Hong Tee)	286,300	0.29
22.	Toh Han Ein	280,000	0.28
23.	Liew Kon Mun	275,700	0.28
24.	Yik Poh Chan @ Yek Poh Chan	263,100	0.26
25.	HSBC Nominees (Asing) Sdn Bhd (Exempt an for Pictet & CIE)	260,000	0.26
26.	Lee Chin Yik	258,000	0.26
27.	Affin Hwang Nominees (Tempatan) Sdn Bhd (DBS Vickers Secs (S) Pte. Ltd. For Winston Jong Khi Min)	249,800	0.25
28.	Premjit Singh a/I Onkar Singh	240,000	0.24
29.	HLB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Liew Sun Yick)	219,600	0.22
30.	Tan Ah Ba & Tan Toon Yong	215,800	0.22
	Total	57,121,100	57.12

Note:

(1) Substantial unit holder

(2) Related company to Manager



AMANAH HARTA TANAH PNB

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MANAGER'S REPORT ON AMANAH HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2014

Pelaburan Hartanah Nasional Berhad ("PHNB"), the Manager of Amanah Harta Tanah PNB ("AHP" or "the Trust"), has the pleasure in presenting the Manager's Report on the Trust together with the audited financial statements of the Trust for the financial year ended 31 December 2014.

THE TRUST, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

AHP, a Real Estate Investment Trust, was constituted under a Deed of Trust dated 20 March 1989, between the Manager, PHNB, the Trustee, Amanah Raya Berhad and the several persons who acquire units in the Trust.

AHP was launched on 21 March 1989 and was listed on Bursa Malaysia Securities Berhad ("Bursa Securities") on 28 December 1990. The principal activity of the Trust is investment in real estates and other authorised investments with the objectives of achieving steady returns and for long term capital growth. There has been no significant change in the nature of this activity during the year.

The Manager, a company incorporated in Malaysia, is a subsidiary company of Permodalan Nasional Berhad ("PNB"). The principal activity of the Manager is the management of real estate investment trusts. There has been no significant change in the nature of this activity during the year.

PNB is a company incorporated in Malaysia. Its principal activity is investment holding mainly for the purpose of promoting greater ownership of shares in the corporate sector in Malaysia by the Bumiputera.

MANAGEMENT FEE AND COMMISSIONS

As provided in the Deed of Trust, the Manager is entitled to a management fee not exceeding 2% per annum of the net asset value of the Trust on each day of the accrual period. The management fee charged for the year ended 31 December 2014 is 1% (2013: 1%) per annum of the daily net asset value of the Trust. No initial service charge, fee or commission has been earned by the Manager in managing the Trust other than the management fee of RM1,560,684 (2013: RM1,581,013) as disclosed in Note 7 to the financial statements.

TERM OF THE TRUST

The Trust will continue its operations until such time as determined by the Trustee and the Manager as provided under the provisions of Clause 23 of the Third Supplemental Deed of Trust.

INVESTMENT OBJECTIVE

The main investment objective of the Trust is to provide a reasonable level of income return to unit holders and allow them to gain from capital growth through the acquisition of a selected portfolio of real estate investments which have potential for long term capital growth.

INVESTMENT POLICY AND STRATEGY

The investment policy of the Trust is directed towards the expansion of the Trust through continuous search for quality real estate which give reasonable yield and have capital appreciation potential.

The Manager will continue to exercise a prudent investment strategy with a view of generating stable and consistent income for the Trust. Property selection for the Trust will be based on a process with the main focus on criteria such as the location of the property, the potential for capital growth, physical quality of the property as well as the quality of the tenancy.

During the financial year, the Manager continued to exercise prudent investment strategy with a view of generating stable and consistent income for the Trust. The Manager continued to establish good rapport with the tenants to ensure sustainable long term relationship with the tenants, thus ensuring continuous flow of rental income to the Trust.

MANAGER'S REPORT (CONTD.)**INVESTMENTS OF THE TRUST**

Total investments of the Trust, including cash and bank balances as at 31 December 2014 was RM198,718,287 (2013: RM182,374,544). Details of the investment portfolio of the Trust are as follows:

	2014		2013	
	RM	%	RM	%
At fair value:				
Real estate				
- Completed commercial and office buildings	169,950,000	85.52	164,500,000	90.20
Real estate related-assets				
- Quoted shares by sector				
- Property	67,800	0.03	25,100	0.01
- Real Estate Investment Trust	547,943	0.28	164,250	0.09
Non-real estate related-assets				
- Quoted shares by sector				
- Consumer products	111,715	0.06	124,209	0.07
- Finance	611,300	0.31	629,689	0.35
- Plantation	144,000	0.07	141,300	0.08
- Trading	961,006	0.48	977,800	0.54
At amortised cost:				
Deposits with financial institutions, cash and bank balances	10,157,267	5.11	15,812,196	8.67
At cost:				
Real estate under construction	16,167,256	8.14	-	-
	198,718,287	100.00	182,374,544	100.00

Details of the investment in real estate are as disclosed in Note 13 to the financial statements.

PERFORMANCE OF THE TRUST

	2014	2013
Total net asset value (RM)	154,441,162	157,953,990
Units in circulation (units)	100,000,000	100,000,000
Net asset value per unit attributable to unit holders (sen)	154.44	157.95
Market price per unit (sen)	113.00	113.00
Highest traded price (sen)	123.00	127.00
Lowest traded price (sen)	109.00	106.00

There is no significant change in the assets allocation since the last report.

MANAGER'S REPORT (CONTD.)**RESULTS OF THE OPERATIONS OF THE TRUST**

	RM
Net income before taxation	5,837,861
Taxation	<u>(1,950,689)</u>
Net income after taxation	<u>3,887,172</u>

During the financial year, the Trust has recorded net income before taxation of RM5,837,861 as compared with net income before taxation of RM5,961,208 recorded last financial year. For the year ended 31 December 2014, AHP recorded a decrease of RM123,347 or 2.07% in income before taxation from the preceeding year which is mainly attributed to the financing costs of RM1,031,556 recorded during the year (2013: RM655,389).

In terms of net rental income, the Trust has recorded a decrease of RM818,336 or 9.52% from RM8,597,202 recorded in previous year. The Trust's total expenditure showed an increase of RM476,445 or 19.09% from RM2,495,509 recorded last financial year.

REVIEW OF THE PROPERTY MARKET

For the Purpose-Built-Office (PBO), some 194,798 sq. m of new space was supplied into the market for the first half of 2014; reflecting a meagre increase of 1.0% from the December 2013. There was a 136,041 sq. m new supply of shopping complex injected in the first half of 2014, recording a marginal 1.1% increase from the December 2013.

On the demand side, occupancy rate for PBO in Malaysia in the first half of 2014 stood at 78.4%; a slight increase from the second half of 2013 of 77.5%. Similar pattern in occupancy rate movement was observed in the shopping complex segment. From 80.1% occupancy nationwide recorded in the second half of 2013, the occupancy rate rose up slightly to 81.3% in the first half of 2014.

As at the end of the first half of 2014, Kuala Lumpur accounted for 40.8% of the total PBO space nationwide. The share of Kuala Lumpur's PBO against the total national PBO had increased modestly from 40.5% recorded in the end of second half of 2013. This indicates a rising concentration of commercial activities in the capital. Latest available statistics from National Property Information Centre (NAPIC) reported that the average rentals of PBO in Kuala Lumpur City Centre/Golden Triangle including areas such as Jalan Ampang, Jalan Tun Razak and Jalan Pinang during the first half of 2014, rose 1.7% to RM58.42 per sq. m/month (RM5.42 per sq. f/month) from RM57.37 per sq. m/month (RM5.33 per sq. f/month) recorded in the second half of 2013. The rentals of PBO Within City Centre (WCC) which covers areas such as Jalan Bangsar, Wangsa Maju and Mid Valley for the same period rose higher by 1.8% to RM47.47 per sq. m/month (RM4.41 per sq. f/month). On the same note, suburban areas including Sri Petaling, Damansara and Cheras, registered an accelerated rental rate growth of 3.1% to RM42.52 per sq. m (RM3.95 per sq. f/month) from the second half of 2013 to the first half of 2014.

PROSPECTS

Effective from April 2015 the implementation of Good and Service Tax (GST) will generally impact the business community, including commercial property owners. Rental income from residential properties is exempted from GST. Nevertheless, the same exemption does not apply to rental income from commercial properties. All properties with commercial title, such as shop lots, offices and retail outlets are subjected to the 6% GST on rental income.

NAPIC forecasted the commercial property subsector will expanding by 9.5% over the next three years (annualised 3.2%). PBO subsector is expected to receive another 2.09 million sq. m or 10.9% of existing stock within the next three years (annualised 3.6%). A large number of incoming supply of PBO will be in Kuala Lumpur and Selangor, which estimated to welcome another 1.15 million sq. m (55.0% from national incoming supply) and 379,940 sq. m (18.1% of national incoming supply); respectively.

Likewise, the shopping complex and industrial subsectors are estimated to increase 9.5% (annualised 3.2%) and 10.7% (annualised 3.6%) respectively within the next three years. As of the second half of 2014, it was estimated that there would be 1.17 million sq. m of incoming supply of shopping complex and 10,220 units of industrial units within the next three years.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

MANAGER'S REPORT (CONTD.)**DISTRIBUTION OF INCOME**

The distributions paid and proposed by the Trust since 31 December 2013:

In respect of the financial year ended 31 December 2013:

	Per unit		Total	
	Gross Sen	Net of tax Sen	Gross RM	Net of tax RM
Final income distribution of 3.70 sen per unit paid on 28 February 2014	3.70	3.70	3,700,000	3,700,000

In respect of financial year ended 31 December 2014:

	Per unit		Total	
	Gross Sen	Net of tax Sen	Gross RM	Net of tax RM
Interim income distribution of 3.70 sen per unit paid on 29 August 2014	3.70	3.70	3,700,000	3,700,000

For the financial year ended 31 December 2014, final income distribution of 3.70 sen a unit (tax exempt at the Trust level), amounting to RM3,700,000 to be paid on 27 February 2015, was declared by the Manager and approved by the Trustee on 28 January 2015. The financial statements of the current year do not reflect this proposed distribution. Such distribution will be accounted for as an appropriation of undistributed income in the next reporting period ending 30 June 2015. In general, the Trust has shown a competitive level of income return and was able to meet its objective of providing reasonable level of income return to the unit holders.

The effect of the final income distributions in terms of the net asset value per unit attributable to unit holders as at 31 December 2014:

	Before distribution sen	After distribution sen
Net asset value per unit attributable to unit holders	154.44	150.74

BREAKDOWN OF UNITHOLDINGS

Unit Class	Number of Unit holders	Percentage of Unit holders (%)	Number of Unitholdings	Percentage of Unitholdings (%)
5,000 and below	5,204	78.97	9,575,835	9.58
5,001 to 10,000	591	8.97	5,002,300	5.00
10,001 to 50,000	629	9.54	15,063,400	15.06
50,001 to 500,000	160	2.43	21,045,265	21.05
500,001 and above	6	0.09	49,313,200	49.31
	6,590	100.00	100,000,000	100.00

DIRECTORS OF THE MANAGER

The directors of the Manager since the date of the last report and at the date of this report are as follows:

Tun Ahmad Sarji bin Abdul Hamid
Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman
Tan Sri Dato' Seri Ainum binti Mohd Saaid
Dato' Seri Mohd. Hussaini bin Haji Abdul Jamil
Dato' Seri (Dr) Abd. Wahab bin Maskan
Dato' Idris bin Kechot
Encik Hafidz Atrash Kosai bin Mohd Zihim

MANAGER'S REPORT (CONTD.)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Manager or the Trust was a party, whereby the directors might acquire benefits by means of acquisition of shares or debentures of the Manager or any other body corporate or of the acquisition of units of the Trust.

Since the end of the previous financial year, no director of the Manager has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in note to the financial statements of PHNB, or a fixed salary of a full-time employee of PNB) by reason of a contract made by the Manager or the Trust or a related corporation with any director or with a firm of which he is a member, or with a company in which he has substantial financial interest.

DIRECTORS' INTEREST

According to the register of the directors' shareholdings, the directors of the Manager who were in office as at 31 December 2014 and have interests in the Trust during the financial year are as follows:

	1 January 2014	Number of Units		31 December 2014
		Bought	Sold	
Dato' Seri Mohd. Hussaini bin Haji Abdul Jamil	12,000	-	-	12,000

None of the other directors in office at the end of the financial year had any interest in the Trust during the financial year.

During and at the end of financial year, no material contracts have been entered into involving any directors and major unit holders.

OTHER STATUTORY INFORMATION

- (a) Before the statement of comprehensive income and statement of financial position of the Trust were made out, the Manager took reasonable steps:
- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that no allowance for doubtful debts was necessary; and
 - 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.
- (b) At the date of this report, the Manager is not aware of any circumstances which would render:
- it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and
 - the values attributed to the current assets in the financial statements of the Trust 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 Trust 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 the financial statements of the Trust which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- any charge on the assets of the Trust which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - any contingent liability of the Trust which has arisen since the end of the financial year.
- (f) In the opinion of the directors of the Manager:
- no contingent or other liability of the Trust 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 Trust to meet its obligations when they fall due; and
 - 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 Trust for the financial year in which this report is made.
- (g) Neither the Manager nor its delegates receive any soft commission from its brokers by virtue of transactions transacted by the Trust.
- (h) AHP has not been involved or undertaken any corporate social responsibility ("CSR") activities or practices. However, PNB Group, the larger entity to which the Manager is part of, is highly committed in a variety of CSR programmes which include education, social and welfare programmes for members of the public.

MANAGER'S REPORT (CONTD.)

AUDITORS

The auditors, Messrs. Hanafiah Raslan & Mohamad, have indicated their willingness to continue in office.

Signed on behalf of PELABURAN HARTANAH NASIONAL BERHAD, being the Manager of AMANAH HARTA TANAH PNB, in accordance with a resolution of the directors dated 28 January 2015.

TUN AHMAD SARJI BIN ABDUL HAMID

TAN SRI DATO' SRI HAMAD KAMA PIAH BIN CHE OTHMAN

Kuala Lumpur, Malaysia

STATEMENT BY MANAGER

We, TUN AHMAD SARJI BIN ABDUL HAMID and TAN SRI DATO' SRI HAMAD KAMA PIAH BIN CHE OTHMAN, being two of the directors of PELABURAN HARTANAH NASIONAL BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 33 to 56 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Securities Commission's Guidelines on Real Estate Investment Trusts and the provisions of the Trust Deed so as to give a true and fair view of the financial position of AMANA HARTA TANAH PNB as at 31 December 2014 and of its financial performance and the cash flows for the year then ended.

Signed on behalf of PELABURAN HARTANAH NASIONAL BERHAD, being the Manager of AMANA HARTA TANAH PNB, in accordance with a resolution of the directors dated 28 January 2015.

TUN AHMAD SARJI BIN ABDUL HAMID

TAN SRI DATO' SRI HAMAD KAMA PIAH BIN CHE OTHMAN

Kuala Lumpur, Malaysia

STATUTORY DECLARATION

I, DATO' MOHD NIZAM BIN ZAINORDIN, being the officer of the Manager primarily responsible for the financial management of AMANA HARTA TANAH PNB, do solemnly and sincerely declare that the accompanying financial statements set out on pages 33 to 56 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 at Kuala Lumpur in the Federal Territory on 28 January 2015

DATO' MOHD NIZAM BIN ZAINORDIN

Before me,

Commissioner of Oaths,
Kuala Lumpur, Malaysia

TRUSTEE'S REPORT

For the Financial Year Ended 31 December 2014

To the Unit holders of
AMANAH HARTA TANAH PNB

We, Amanah Raya Trustees Berhad, have acted as Trustee of AMANAH HARTA TANAH PNB for the financial year ended 31 December 2014. In our opinion, PELABURAN HARTANAH NASIONAL BERHAD, the Manager, has managed AMANAH HARTA TANAH PNB in accordance with the limitations imposed on the investment powers of the management company and the Trustee under the Deed, other provisions of the Deed, the applicable Guidelines on Real Estate Investment Trusts, the Capital Markets and Services Act 2007 and other applicable laws during the financial year then ended.

We are of the opinion that:

- a) The procedures and processes employed by the Manager to value and/ or price the units of AMANAH HARTA TANAH PNB are adequate and that such valuation/ pricing is carried out in accordance with the Deed and other regulatory requirements; and
- b) The distribution of returns made by AMANAH HARTA TANAH PNB as declared by the Manager is in accordance with the investment objective of AMANAH HARTA TANAH PNB.

Yours faithfully
AMANAH RAYA TRUSTEES BERHAD

HABSAH BINTI BAKAR
Chief Executive Officer

Kuala Lumpur, Malaysia
30 January 2015

Independent Auditors' Report to the unit holders of AMANAH HARTA TANAH PNB

Report on the financial statements

We have audited the financial statements of AMANAH HARTA TANAH PNB ("the Trust"), which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 33 to 56.

Manager's and Trustee's responsibility for the financial statements

The Manager of the Trust is responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Securities Commission's Guidelines on Real Estate Investment Trusts. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. 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' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Trust's preparation of financial statements that give a true and fair view 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 Trust's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Trust as at 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other matters

This report is made solely to the unit holders of the Trust, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Hanafiah Raslan & Mohamad
AF: 0002
Chartered Accountants

Ahmad Zahirudin bin Abdul Rahim
No. 2607/12/16(J)
Chartered Accountant

Kuala Lumpur, Malaysia
28 January 2015

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 RM	2013 RM
INCOME			
Gross rental income	5	13,437,379	13,962,423
Less: Real estate operating expenditure	6	(5,654,680)	(5,361,185)
Depreciation		(3,833)	(4,036)
Net rental income		7,778,866	8,597,202
Interest income from deposits with financial institutions		366,246	417,013
Gross dividends from investments in:			
- Real estate-related assets		25,622	11,546
- Non-real estate-related assets		90,635	83,059
Unrealised gain/ (loss) on valuation of real estates	13	552,179	(1,074,877)
Gain on disposals of real estate		-	378,000
Net gain/(loss) from financial assets at fair value through profit and loss ("FVTPL"):			
- Real estate-related assets	14	69,833	(18,823)
- Non-real estate-related assets	15	(80,340)	60,299
Miscellaneous income		6,774	3,298
		<u>8,809,815</u>	<u>8,456,717</u>
EXPENSES			
Management fee	7	(1,560,684)	(1,581,013)
Trustee's fee	8	(130,000)	(130,000)
Auditors' remuneration		(13,500)	(13,500)
Tax agent's fee		(4,350)	-
Valuation fee		(70,120)	(5,300)
Printing, postage and general expenses		(161,744)	(97,322)
Financing costs	9	(1,031,556)	(655,389)
Allowance for impairment of trade receivables	19	-	(12,985)
		<u>(2,971,954)</u>	<u>(2,495,509)</u>
NET INCOME BEFORE TAXATION		5,837,861	5,961,208
TAXATION	10	(1,950,689)	-
NET INCOME BEFORE TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME		<u>3,887,172</u>	<u>5,961,208</u>
NET INCOME AFTER TAXATION IS MADE UP OF THE FOLLOWING:			
Realised		5,298,289	7,027,120
Unrealised		(1,411,117)	(1,065,912)
		<u>3,887,172</u>	<u>5,961,208</u>
EARNINGS PER UNIT			
EARNINGS PER UNIT (BEFORE MANAGEMENT FEE)	11	3.89 sen	5.96 sen
- Gross of tax		7.40 sen	7.54 sen
- Net of tax		5.45 sen	7.54 sen
NET INCOME DISTRIBUTION			
Interim income distribution of 3.70 sen per unit paid on 29 August 2014 (2013: 3.70 sen per unit paid on 30 August 2013)	12	3,700,000	3,700,000
Final income distribution of 3.70 sen per unit payable on 27 February 2015 (2013: 3.70 sen per unit paid on 28 February 2014)		3,700,000	3,700,000
FINAL INCOME DISTRIBUTION PER UNIT			
- Gross of tax	12	3.70 sen *	3.70 sen
- Net of tax		3.70 sen *	3.70 sen
INTERIM INCOME DISTRIBUTION PER UNIT			
- Gross of tax	12	3.70 sen	3.70 sen
- Net of tax		3.70 sen	3.70 sen

* Proposed final income distribution for the year ended 31 December 2014. The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	2014 RM	2013 RM
INVESTMENTS			
Real estate	13	186,117,256	164,500,000
Real estate-related assets	14	615,743	189,350
Non-real estate-related assets	15	1,828,021	1,872,998
Deposits with financial institutions	16	10,132,260	15,779,317
TOTAL INVESTMENTS		<u>198,693,280</u>	<u>182,341,665</u>
OTHER ASSETS			
Equipment, furniture and fittings	17	18,429	22,262
Tax recoverable	18	600,998	668,254
Trade receivables	19	646,635	716,671
Other receivables	20	189,065	185,371
Cash and bank balances		25,007	32,879
TOTAL OTHER ASSETS		<u>1,480,134</u>	<u>1,625,437</u>
TOTAL ASSETS		<u>200,173,414</u>	<u>183,967,102</u>
LIABILITIES			
Financing	21	38,465,824	20,767,076
Rental deposits	22	4,453,275	4,325,636
Other payables	23	731,295	785,876
Amount due to Manager	24	131,169	134,524
Deferred tax liability	25	1,950,689	-
TOTAL LIABILITIES		<u>45,732,252</u>	<u>26,013,112</u>
FINANCED BY:			
UNIT HOLDERS' FUNDS			
Unit holders' capital	26	100,000,000	100,000,000
Retained earnings		54,441,162	57,953,990
TOTAL NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS		<u>154,441,162</u>	<u>157,953,990</u>
TOTAL UNIT HOLDERS' FUNDS AND LIABILITIES		<u>200,173,414</u>	<u>183,967,102</u>
NUMBER OF UNITS IN CIRCULATION		<u>100,000,000</u>	<u>100,000,000</u>
NET ASSET VALUE ("NAV")		<u>154,441,162</u>	<u>57,953,990</u>
NAV (EX-DISTRIBUTION) PER UNIT		<u>1.5444</u>	<u>1.5795</u>

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Unit Holders' Capital RM	← Retained Earnings →		Total NAV Attributable to Unit Holders RM
			Distributable Realised Income RM	Non- Distributable Unrealised Gain/ (Loss) RM	
At 1 January 2013		100,000,000	19,493,584	39,899,198	159,392,782
Transfer to realised income		-	148,374	148,374]	-
Total comprehensive income for the year		-	7,027,120	(1,065,912)	5,961,208
Income distribution:	12				
Final distribution					
- 31 December 2012		-	(3,700,000)	-	(3,700,000)
Interim distribution					
- 31 December 2013		-	(3,700,000)	-	(3,700,000)
At 31 December 2013		<u>100,000,000</u>	<u>19,269,078</u>	<u>38,684,912</u>	<u>157,953,990</u>
At 1 January 2014		100,000,000	19,269,078	38,684,912	157,953,990
Transfer to realised income		-	(165,776)	165,776	-
Total comprehensive income for the year		-	5,298,289	(1,411,117)	3,887,172
Income distribution:	12				
Final distribution					
- 31 December 2013		-	(3,700,000)	-	(3,700,000)
Interim distribution					
- 31 December 2014		-	(3,700,000)	-	(3,700,000)
At 31 December 2014		<u>100,000,000</u>	<u>17,001,591</u>	<u>37,439,571</u>	<u>154,441,162</u>

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before taxation	5,837,861	5,961,208
Adjustments for:		
Depreciation	3,833	4,036
Allowance for impairment of trade receivables	-	12,985
Unrealised gain/ (loss) on valuation of real estate	(552,179)	1,074,877
Net gain/(loss) from financial assets at fair value through profit and loss ("FVTPL"):		
- Real estate-related assets	(69,833)	18,823
- Non-real estate-related assets	80,340	(60,299)
Gain on disposal of real estates	-	(378,000)
Interest income from deposit with financial institutions	(366,246)	(417,013)
Gross dividends from investments in:		
- Real estate-related assets	(25,622)	(11,546)
- Non-real estate-related assets	(90,635)	(83,059)
Financing costs	1,031,556	655,389
Operating profit before working capital changes	5,849,075	6,777,401
Decrease/ (increase) in tax recoverable	67,256	(2,507)
Increase in receivables	(100,863)	(262,269)
(Decrease)/increase in other payables	(57,936)	123,284
Increase in rental deposits	127,639	451,231
Decrease in amount due to the Manager	(3,355)	(546)
Net cash generated from operating activities	<u>5,881,816</u>	<u>7,086,594</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in completed real estate	(5,697,821)	(6,374,877)
Investments in real estate under construction	(16,167,256)	-
Proceeds from disposal of:		
- Real estate	800,000	2,328,000
- Real estate-related assets	36,000	39,000
- Non-real estate-related assets	-	246,552
Purchase of fixed assets	-	(15,785)
Purchase of real and non-real estate related-assets	(625,790)	(308,346)
Interest received	379,429	404,566
Dividends received from investments in:		
- Real estate-related assets	25,622	11,546
- Non-real estate-related assets	85,872	73,707
Net cash used in investing activities	<u>(21,163,944)</u>	<u>(3,595,637)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown from financing	17,698,748	6,377,435
Financing costs paid	(869,417)	(571,329)
Payment of income distributions	(7,400,000)	(7,400,000)
Net cash generated from/ (used in) financing activities	<u>9,429,331</u>	<u>(1,593,894)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(5,852,797)	1,897,063
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	15,812,196	13,915,133
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>9,959,399</u>	<u>15,812,196</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	25,007	32,879
Deposits with financial institutions (Note 16)	10,132,260	15,779,317
	<u>10,157,267</u>	<u>15,812,196</u>
Deposits with financial institutions with maturity of more than 3 months	(197,868)	-
Cash and cash equivalents	<u>9,959,399</u>	<u>15,812,196</u>

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

1. THE TRUST, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Amanah Harta Tanah PNB ("AHP" or "the Trust"), a Real Estate Investment Trust, was constituted under a Deed of Trust dated 20 March 1989, between the Manager, Pelaburan Hartanah Nasional Berhad ("PHNB"), the Trustee, AmanahRaya Trustees Berhad and the several persons who acquire units in the Trust.

The Trust was launched on 21 March 1989 and was listed on the Bursa Malaysia Securities Berhad ("Bursa Securities") on 28 December 1990. The principal activity of the Trust is investment in real estates and other authorised investments with the objectives of achieving steady returns and for long term capital growth. There has been no significant change in the nature of this activity during the year.

The Manager, a company incorporated in Malaysia, is a subsidiary company of Permodalan Nasional Berhad ("PNB"). The principal activity of the Manager is the management of real estate investment trusts. There has been no significant change in the nature of this activity during the year.

PNB is a company incorporated in Malaysia. Its principal activity is investment holding mainly for the purpose of promoting greater ownership of share capital in the corporate sector in Malaysia by the Bumiputera.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the directors on 28 January 2015.

2. TERM OF THE TRUST

The Trust will continue its operations until such time as determined by the Trustee and the Manager as provided under the provisions of Clause 23 of the Third Supplemental Deed of Trust of AHP.

3. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and applicable Securities Commission's Guidelines on Real Estate Investment Trusts.

The financial statements of the Trust have been prepared under the historical cost convention except for investment in real estate and quoted securities which are stated at fair value.

(a) Early adoption of MFRS 9 Financial Instruments : Classification and Measurement "MFRS 9")

Since the prior financial year, the Trust has applied MFRS 9 Financial Instruments ("MFRS 9") (as issued in November 2009 and revised in October 2010) and the related consequential amendments in advance of their effective dates. The date of initial application (i.e the date on which the Trust has assessed its existing financial assets and financial liabilities) is 1 January 2011.

Financial assets

MFRS 9 introduces new classification and measurements requirement for financial assets that are within the scope of MFRS 139 Financial Instruments: Recognition and Measurement. Specifically, MFRS 9 requires all financial assets to be classified and subsequently measured at either amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flows characteristic of the financial assets.

As required by MFRS 9, debt instruments are measured at amortised cost only if (i) the assets is held within a business model whose objectives is to hold assets in order to collect contractual cash flows and (ii) the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest of the principal amounts outstanding. If either of the two criteria is not met, the debt instruments are classified as at fair value through profit or loss ("FVTPL").

However, the Trust may choose at initial recognition to designate a debt instrument that meets the amortised cost criteria as at FVTPL if in doing so eliminates or significantly reduces an accounting mismatch.

Equity instruments are classified either FVTPL or fair value through other comprehensive income ("FVTOCI"), depending on the investment objectives.

Financial liabilities

MFRS 9 also contains requirement for classifications and measurement of financial liabilities. One major change in the classifications and measurement of financial liabilities relates to accounting for changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability which is accounted for in other comprehensive income.

3. BASIS OF PREPARATION (CONTD.)**(b) Changes in accounting policies**

The new and revised MFRSs which are mandatory for companies with financial period beginning on or after 1 January 2014 do not give rise to any significant effects on the financial statements of the Trust.

(c) Standards issued but not yet effective

The Standards, Amendments and Issues Committee ("IC") Interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements are not relevant to the Trust other than the following:

Effective for financial period beginning on or after 1 January 2018

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

The Trust plans to adopt the above pronouncement when it becomes effective in the respective financial periods.

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

On 24 July 2014, the International Accounting Standard Boards ("IASB") issued the final version of IFRS 9 which includes the three phases of the financial instruments projects; Classification and measurement, Impairment (Expected credit losses) and Hedge accounting. Subsequently, MASB issued a pronouncement on 17 November 2014 to fully adopt the new IFRS 9 requirements. As the Trust has early adopted the previous version of MFRS 9 prior to 31 January 2015, the Trust may continue to apply that version of MFRS 9 until the mandatory effective date of 1 January 2018. The Trust is still in the process of quantifying the effect of the adoption of the final version of MFRS 9.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Financial Assets**

Financial assets are recognised in the statement of financial position when, and only when, the Trust becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Trust determines the classification of its financial assets at initial recognition, and its financial assets include receivables, deposits with financial institutions, real estate related-assets held at FVTPL, non-real estate related-assets held at FVTPL and, cash and bank balances.

(i) Financial assets at FVTPL

Investments in equity instruments are classified as at FVTPL, unless the Trust designates an investment that is not held for trading as at fair value through other comprehensive income ("FVTOCI") on initial recognition.

Debt instruments are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as at FVTPL on initial recognition is not allowed.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as receivables. The Trust includes short term receivables in this classification.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(b) Impairment of Financial Assets

The Trust assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. For trade and other receivables, to determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Trust considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Objective evidence of impairment for a portfolio of receivables could include the past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables. If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(c) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Trust are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

The Trust derecognised financial liabilities when, and only when, the Trust's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Equipment, Furniture and Fittings, Computer Equipment and Depreciation

Equipment, furniture and fittings are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 4(l). Depreciation of equipment, furniture and fittings is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:

Equipment	20%
Furniture and fittings	20%
Computer equipment	25%

Upon the disposal of equipment, furniture and fittings, and computer equipment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

(e) Real Estate

Real estate are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, real estate are stated at fair value. The fair value of real estate is determined using the comparison and investment method which considers income and expense data relating to the subject property being valued and estimates value through a capitalisation process, performed by registered independent valuers having an appropriate recognised qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair value of real estate are recognised in profit or loss in the year in which they arise.

Where the fair value of the real estate under construction ("REUC") is not reliably determinable, the REUC is measured at cost until either its fair value has been reliably determinable or construction is complete, whichever is earlier.

Real estate are derecognised when either they have been disposed of or when the real estate is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of a real estate are recognised in profit or loss in the year in which they arise.

(f) Income Recognition

(i) Rental Income

Rental income from real estate is accounted for on an accrual basis.

(ii) Gross Dividend Income

Gross dividend income from quoted shares are recognised on a declared basis, when the right to receive dividends has been established.

(iii) Other Income

Interest income, car park income and other real estate income are accounted for on an accrual basis.

(g) Proposed Distribution

Proposed distribution is recognised once the obligation to pay has been established.

Proposed distribution will be disclosed by way of note to the financial statements and such distribution will be accounted for as an appropriation of undistributed income in the period where the obligation to pay has been established.

(h) Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash at bank, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value with an original maturity of 3 months or less.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**(i) Unit holder's Capital**

The unit holder's capital of the Trust meet the definition of puttable instruments classified as equity instruments under the revised MFRS 132 Financial Instruments: Presentation.

(j) Segmental Reporting

For management purposes, the Trust has one operating segment - real estates. The operating results are regularly reviewed by the Manager, who assumes the role of chief operating decision maker, for performance assessment purposes and to make decisions about resources allocated to each investment segment.

(k) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

(i) Current Tax

Current tax expense is the expected amount of tax payable in respect of the undistributed taxable income for the year and is measured using the statutory tax rates that have been enacted at the reporting date, and any adjustment to tax payable in respect of previous year.

(ii) Deferred Tax

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused investment tax allowances, unused tax losses and unused tax credit to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused investment tax allowances, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on statutory tax rates at the reporting date.

Deferred tax is provided for unrealised fair value adjustments on real estate at the prevailing Real Property Gains Tax rate based on the presumption of realisation through eventual sale of the real estate.

(l) Impairment of Non-financial Assets

At each statement of financial position date, the Manager reviews the carrying amounts of the Trust's non-financial assets other than real estates, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. An impairment loss is charged to the profit or loss immediately.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

(m) Significant Accounting Estimates and Judgements

The preparation of the Trust's financial statements requires the Manager to make judgements, estimates and assumptions that affect the reported amounts of revenues, 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 in the future.

There are no significant areas of accounting estimation uncertainty and judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements except as disclosed in Note 13.

5. GROSS RENTAL INCOME

	2014	2013
	RM	RM
Rental income	13,205,744	13,760,823
Other real estate income	231,635	201,600
	<u>13,437,379</u>	<u>13,962,423</u>

Included in the rental income is rental received from company related to the Manager amounting to RM156,000 (2013: RM236,000). The details are disclosed in Note 29.

6. REAL ESTATE OPERATING EXPENDITURE

Included in the amounts are the following:

	2014	2013
	RM	RM
Maintenance, repairs and improvements expenses	1,293,304	1,200,020
Assessment	918,730	879,904
Quit rent	55,297	55,413
Utilities	2,339,032	2,240,790
Others	926,484	858,004
Property Manager's fee *	121,833	127,054
	<u>5,654,680</u>	<u>5,361,185</u>

* The Property Manager, I.M Global Building Services Sdn Bhd ("IMG") is entitled to a property management fee in respect of the maintenance of the real estate owned by the Trust, as provided in the Deed of Trust. The fee is based on a certain graduated scale as provided in the Deed of Trust and as prescribed in the revised Valuers, Appraisers and Estate Agents Act 1981 and its rules.

7. MANAGEMENT FEE

The Manager is entitled to a fee not exceeding 2% per annum of the Net Asset Value ("NAV") of the Trust on each day of the accrual period, as defined in the Deed of Trust. The management fee charged for the year ended 31 December 2014 is 1% (2013: 1%) per annum of the daily NAV of the Trust.

No other fee, commission or initial service charges has been paid or is payable to the Manager.

8. TRUSTEE'S FEE

The Trustee is entitled to a fee not exceeding 0.1% per annum of the net asset value of the Trust on each day of the accrual period, as defined in the Deed of Trust. The Trustee's fee charged for the year ended 31 December 2014 is RM130,000 (2013: RM130,000).

9. FINANCING COSTS

	2014	2013
	RM	RM
Profit payable on Islamic Revolving Credit Facility	1,031,556	655,389

10. TAXATION

	2014	2013
	RM	RM
Income tax:		
Tax charge for the year	-	-
Deferred tax (Note 25):		
Relating to origination and reversal of temporary differences	27,609	-
Effect of change in tax rate	1,923,080	-
	<u>1,950,689</u>	-
	<u>1,950,689</u>	-

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

As the Trust distributes at least 90% of the distributable income, its total income for the financial year is exempted from tax.

The effect of change in tax rate relates to increase in the rate of Real Property Gains Tax ("RPGT") for properties held for more than 5 years from nil to 5% which takes effect from 1 January 2014.

10. TAXATION (CONTD.)

A reconciliation of income tax expense applicable to net income before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Trust is as follows:

	2014	2013
	RM	RM
Net income before taxation	5,837,861	5,961,208
Taxation at Malaysia statutory tax rate of 25% (2013: 25%)	1,459,465	1,490,302
Effect of income not subject to tax	(119,692)	35,121
Expenses not deductible for tax purposes	364,789	57,025
Income distribution exempted from tax at Trust level	(1,563,612)	(1,574,935)
Utilisation of current year capital allowances	(2,905)	(7,513)
Effect of deferred tax recognised at RPGT rate	(110,436)	-
Effect of change in tax rate	1,923,080	-
Tax expense for the year	1,950,689	-

11. EARNINGS PER UNIT

The earnings per unit for the year has been calculated by dividing the net income after taxation for the year of RM3,887,172 (2013: RM5,961,208) by the number of units in circulation as at the statement of financial position date of 100,000,000 (2013: 100,000,000).

12. INCOME DISTRIBUTION

	2014		2013	
	Gross	Net	Gross	Net
	RM	RM	RM	RM
Interim income				
distribution of 3.70 sen				
per unit paid on				
29 August 2014				
(2013: 3.70 sen per				
unit paid on				
30 August 2013)	3,700,000	3,700,000	3,700,000	3,700,000
Final income				
distribution of 3.70 sen				
per unit payable on				
27 February 2015				
(2013: 3.70 sen per				
unit paid on				
28 February 2014)	3,700,000*	3,700,000*	3,700,000	3,700,000
Total distribution for the year	7,400,000	7,400,000	7,400,000	7,400,000
Distribution per unit (sen)	7.40	7.40	7.40	7.40

* For the financial year ended 31 December 2014, final income distribution of 3.70 sen per unit (tax exempt at Trust level), amounting to RM3,700,000 to be paid on 27 February 2015, was declared by the Manager and approved by the Trustee on 28 January 2015. The financial statements for the current year do not reflect this proposed distribution. Such distribution will be accounted for as an appropriation of undistributed income in the next reporting period ending 30 June 2015.

12. INCOME DISTRIBUTION (CONTD.)

Sources of Distribution

Distribution to unit holders is from the following sources:

	2014 RM	2013 RM
Net rental income	7,778,866	8,597,202
Gross dividends from investments in:		
- Real estate-related assets	25,622	11,546
- Non-real estate-related assets	90,635	83,059
Interest income from deposits with financial institutions	366,246	417,013
Gain on disposals of real estate	-	378,000
Gain on disposal of real estate/ non-real estate related asset	2,100	32,511
Other income	6,774	3,298
Retained earnings	2,101,711	372,880
	<u>10,371,954</u>	<u>9,895,509</u>
Less: Expenses	(2,971,954)	(2,495,509)
Total distribution	<u>7,400,000</u>	<u>7,400,000</u>
Gross income distribution per unit (sen)	7.40	7.40
Net income distribution per unit (sen)	<u>7.40</u>	<u>7.40</u>

13. REAL ESTATE

	Completed real estate at fair value RM	Real estate under construction at cost RM	Total RM
At 31 December 2014			
At 1 January 2014	164,500,000	-	164,500,000
Addition	5,697,821	16,167,256	21,865,077
Disposals	(800,000)	-	(800,000)
Fair value adjustment	552,179	-	552,179
At 31 December 2014	<u>169,950,000</u>	<u>16,167,256</u>	<u>186,117,256</u>
At 31 December 2013			
At 1 January 2013	161,150,000	-	161,150,000
Addition	6,374,877	-	6,374,877
Disposals	(1,950,000)	-	(1,950,000)
Fair value adjustment	(1,074,877)	-	(1,074,877)
At 31 December 2013	<u>164,500,000</u>	<u>-</u>	<u>164,500,000</u>

The following real estates are held under lease terms:

	31.12.2014 RM	31.12.2013 RM
Leasehold land and buildings (at fair value)	<u>1,650,000</u>	<u>1,500,000</u>

Details of investment in completed real estates and basis of valuation are as follows:

Description of Real Estate	Tenure	Date of Acquisition	Cost of Acquisition and Additions RM	Fair Value* RM
Plaza VADS, Taman Tun Dr. Ismail, Kuala Lumpur	Freehold	21/03/1989	80,267,416	102,400,000
Bangunan AHP, Taman Tun Dr. Ismail, Kuala Lumpur	Freehold	21/03/1989	33,520,142	46,700,000
Sri Impian, Taman Setiawangsa, Kuala Lumpur	Freehold	15/05/1996	13,771,846	13,300,000

13. REAL ESTATE (CONTD.)

Description of Real Estate	Tenure	Date of Acquisition	Cost of Acquisition and Additions RM	Fair Value* RM
Strata shop office, Asia City, Kota Kinabalu	Leasehold	12/12/1995	1,652,917	1,650,000
Three storey shop house in Taman Tun Dr. Ismail, Kuala Lumpur	Freehold	16/10/1995	909,879	4,000,000
Four storey shop office, Pusat Bandar Melawati, Kuala Lumpur	Freehold	30/08/1996	814,016	1,900,000
			<u>130,936,216</u>	<u>169,950,000</u>

* Fair values as at 31 December 2014 is determined based on valuation dated 1 December 2014 by independent firm of professional valuers by using the comparison and investment method of valuation in accordance with the Malaysian Valuation Standards. Further details of the valuation method is provided in Note 34 of the financial statements.

All the real estates was valued by the same valuer. The details of the valuer are as follows:

Name of Firm	Name of Valuer and Qualification
W.M Malik & Kamaruzaman	Sr Kamaruzaman Jamil B.Sc (Hons)(London) F.R.I.C.S, F.I.S (M) Registered Valuer - V272

Real estate under construction relates to construction cost for new annex block of Plaza VADS.

14. REAL ESTATE-RELATED ASSETS

	31.12.2014 RM	31.12.2013 RM
Quoted shares, at FVTPL	615,743	189,350
Net gain/(loss) on real estate-related assets at FVTPL during the year comprised:		
Realised gain on disposals	2,100	1,500
Unrealised changes in fair values	67,733	(20,323)
	<u>69,833</u>	<u>(18,823)</u>

Quoted Shares	Units	Cost RM	Fair Value RM	Fair Value Over Net Asset Value %
- Real Estate Investment Trusts	181,614	435,972	547,943	0.35
- Property	30,000	73,886	67,800	0.05
	<u>211,614</u>	<u>509,858</u>	<u>615,743</u>	<u>0.40</u>

15. NON-REAL ESTATE-RELATED ASSETS

	31.12.2014 RM	31.12.2013 RM
Quoted shares, at FVTPL	1,828,021	1,872,998
Net (loss)/ gain on real estate-related assets at FVTPL during the year comprised:		
Realised (loss)/ gain on disposals	-	31,011
Unrealised changes in fair values	(80,340)	29,288
	<u>(80,340)</u>	<u>60,299</u>

Quoted Shares	Units	Cost RM	Fair Value RM	Fair Value Over Net Asset Value
				%
- Consumer products	10,900	65,845	111,715	0.07
- Finance	66,663	542,316	611,300	0.40
- Plantation	30,000	138,881	144,000	0.09
- Trading	110,250	838,759	961,006	0.62
	<u>217,813</u>	<u>1,585,801</u>	<u>1,828,021</u>	<u>1.18</u>

16. DEPOSITS WITH FINANCIAL INSTITUTIONS

	31.12.2014 RM	31.12.2013 RM
Fixed deposits	169,596	4,206,729
Short term deposits	4,350,730	5,448,226
Islamic instruments	5,611,934	6,124,362
	<u>10,132,260</u>	<u>15,779,317</u>

The weighted average effective interest/profit rates ("WAEIPR") per annum and the average maturity of deposits with financial institutions as at the reporting date were as follows:

	31.12.2014		31.12.2013	
	WAEIPR [% p.a.]	Average Maturity (Days)	WAEIPR [% p.a.]	Average Maturity (Days)
Licensed banks	4.10	38	3.37	33

Included within deposits with financial institutions are balances with maturity of less than 90 days amounting to RM9,934,392 (2013: RM15,779,317).

17. EQUIPMENT, FURNITURE AND FITTINGS

	Equipment RM	Furniture and Fittings RM	Computer Equipment RM	Total RM
Cost				
At 1 January 2013	54,378	54,745	24,301	133,424
Additions	15,785	-	-	15,785
At 31 December 2013	70,163	54,745	24,301	149,209
Additions	-	-	-	-
At 31 December 2014	<u>70,163</u>	<u>54,745</u>	<u>24,301</u>	<u>149,209</u>
Accumulated Depreciation				
At 1 January 2013	47,798	53,989	21,124	122,911
Charge for the year	1,964	198	1,874	4,036
At 31 December 2013	49,762	54,187	22,998	126,947
Charge for the year	2,342	198	1,293	3,833
At 31 December 2014	<u>52,104</u>	<u>54,385</u>	<u>24,291</u>	<u>130,780</u>

17. EQUIPMENT, FURNITURE AND FITTINGS (CONTD.)

	Equipment RM	Furniture and Fittings RM	Computer Equipment RM	Total RM
Net Book Value				
At 31 December 2014	18,059	360	10	18,429
At 31 December 2013	20,401	558	1,303	22,262
Depreciation charge for 2014	2,342	198	1,293	3,833
Depreciation charge for 2013	1,964	198	1,874	4,036

Included in equipment, furniture and fittings of the Trust are cost of fully depreciated assets which are still in use amounting to RM124,793 (2013: RM117,791).

18. TAX RECOVERABLE

The tax recoverable amount represents tax deducted at source on dividend income arising in Malaysia and is recoverable from the Malaysian Inland Revenue Board.

The Income Tax Act 1967 was amended on 28 December 2007 to introduce the single tier corporate tax system with effect from year of assessment 2008. Under the single tier corporate tax system, dividend distribution to shareholders will be exempted from tax.

With effect from 1 January 2014, all companies pay dividends under the single tier tax system. Since single tier dividends are tax exempted, no tax is deducted at source on the dividend. Hence, there is no tax credit that can be claimed from such dividends received by the Trust.

19. TRADE RECEIVABLES

	31.12.2014 RM	31.12.2013 RM
Trade receivables	819,055	889,091
Less: Allowance for impairment	(172,420)	(172,420)
Trade receivables, net	646,635	716,671

The Trust's normal credit term is 30 days. The trade receivables are non-interest bearing. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Trust's trade receivables is as follows:

	31.12.2014 RM	31.12.2013 RM
Neither past due nor impaired	236,153	263,768
31 to 60 days past due not impaired	128,191	225,631
61 to 90 days past due not impaired	67,137	63,961
91 to 120 days past due not impaired	33,471	64,861
More than 121 days past due not impaired	181,683	98,450
	646,635	716,671
Impaired	172,420	172,420
	819,055	889,091

The Trust's trade receivables that are impaired at the reporting date are as follows:

	31.12.2014 RM	31.12.2013 RM
Trade receivables	172,420	172,420
Less: Allowance for impairment	(172,420)	(172,420)
	-	-

19. TRADE RECEIVABLES (CONTD.)

The movement in the allowance account used to record impairment allowance for trade receivables are as follows:

	31.12.2014	31.12.2013
	RM	RM
At 1 January	172,420	159,435
Charge for the year	-	14,520
Reversal of impairment	-	(1,535)
At 31 December	<u>172,420</u>	<u>172,420</u>

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Trust.

None of the Trust's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Trust has trade receivables amounting to RM410,482 (31.12.2013: RM452,903) that are past due at the reporting date. The remaining receivables that are past due but not impaired are expected to be collected in the next 12 months.

20. OTHER RECEIVABLES

	31.12.2014	31.12.2013
	RM	RM
Dividends	15,563	10,800
Interest	13,153	26,335
Deposits	85,511	88,206
Prepayments	74,838	60,030
	<u>189,065</u>	<u>185,371</u>

21. FINANCING

The financing bears profit rate of 3.95% to 4.48% (2013: 3.95% to 3.97%) per annum.

As at 31 December 2014, the Trust has made seven drawdowns amounting to RM38,465,824 (2013: RM20,767,076). The details of the drawdowns is as follows:

	Maturity Date	Amount RM
Drawdown no. 1	15 April 2015	933,689
Drawdown no. 2	13 January 2015	2,496,928
Drawdown no. 3	17 February 2015	6,218,479
Drawdown no. 4	6 January 2015	4,740,545
Drawdown no. 5	27 February 2015	6,377,435
Drawdown no. 6	13 February 2015	8,818,732
Drawdown no. 7	27 January 2015	8,880,016
Total		<u>38,465,824</u>

22. RENTAL DEPOSITS

	31.12.2014	31.12.2013
	RM	RM
Payable within 12 months	1,380,615	1,412,915
Payable after 12 months	3,072,660	2,912,721
	<u>4,453,275</u>	<u>4,325,636</u>

Included in the rental deposit is an amount of RM65,400 (2013: RM98,600) received from companies related to the Manager as disclosed in Note 29.

23. OTHER PAYABLES

	31.12.2014	31.12.2013
	RM	RM
Accruals for real estate operating expenditure	44,791	21,291
Rental received in advance	101,067	291,602
Financing costs payable	374,463	212,324
Sundry payables	210,974	260,659
	<u>731,295</u>	<u>785,876</u>

24. AMOUNT DUE TO MANAGER

The amount due to Manager is unsecured, interest free and repayable on demand.

25. DEFERRED TAX LIABILITY

	31.12.2014	31.12.2013
	RM	RM
At 1 January	-	-
Recognised in profit or loss	1,950,689	-
At 31 December	<u>1,950,689</u>	<u>-</u>

The deferred tax liability relates to Real Property Gains Tax ("RPGT") on fair value adjustments of real estate which are expected to be recovered through sale.

26. UNITS HOLDERS' CAPITAL

	Number of Units		Amount	
	31.12.2014 Units	31.12.2013 Units	31.12.2014 RM	31.12.2013 RM
Authorised:				
At end of year	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued and fully paid:				
At end of year	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>

As at 31 December 2014, the Manager did not hold any unit in the Trust. However, PNB held 5,063,500 (2013: 5,063,500) units, representing approximately 5.06% (2013: 5.06%) of the total units in issue. Based on market price as at 31 December 2014 of RM1.13 (2013: RM1.13) per unit, the value of units held by PNB was RM5,721,755 (2013: RM5,721,755).

27. NET ASSET VALUE PER UNIT

	31.12.2014	31.12.2013
Net asset value attributable to unit holders (RM)	154,441,162	157,953,990
Number of units issued	<u>100,000,000</u>	<u>100,000,000</u>
Net assets value per unit (RM)	<u>1.5444</u>	<u>1.5795</u>

28. TRANSACTIONS WITH STOCKBROKING COMPANIES

During the financial year, the Manager made purchases and sales of investments for the Trust with one stockbroking company. The details of the transaction are as follows:

Stock Broker	Value of Trade RM	Percentage of Total Trade %	Percentage of Brokerage Fees	
			Brokerage Fees RM	Brokerage Fees %
Maybank Investment Bank Bhd. *	<u>331,756</u>	<u>100.00</u>	<u>581</u>	<u>100.00</u>

Neither PHNB nor PNB has any direct equity holding in the above stockbroking company.

* PNB has direct equity holdings in the ultimate holding company of the stockbroking company.

The dealings with the above stockbroking companies has been transacted at arm's length based on the normal terms in the stockbroking industry.

29. RELATED PARTY DISCLOSURES

	31.12.2014 RM	31.12.2013 RM
Amanah Saham Nasional Berhad ("ASNB"), a wholly-owned subsidiary of PNB		
- Rental income received	156,000	236,000
- Rental deposits received	65,400	98,600
	<hr/>	<hr/>

30. PORTFOLIO TURNOVER

	2014	2013
Portfolio Turnover Ratio ("PTR")	0.97 times	0.87 times
	<hr/>	<hr/>

PTR is the ratio of the average of acquisitions and disposals of investments for the year to the average Net Asset Value ("NAV") of the Trust, calculated.

Since the average NAV of the Trust is calculated on a yearly basis, comparison of the PTR of the Trust with other units trusts which use different basis of calculation may not be an accurate comparison.

31. MANAGEMENT EXPENSE RATIO

	2014	2013
Management Expense Ratio ("MER")	1.24%	1.16%
	<hr/>	<hr/>

MER is calculated based on the total fees and expenses incurred for the year by the Trust divided by the average NAV of the Trust, calculated on yearly basis.

Since the average NAV of the Trust is calculated on a yearly basis, comparison of the MER of the Trust with other units trusts which use different basis of calculation may not be an accurate comparison.

32. SEGMENTAL REPORTING

Geographical information

The Trust's assets are located in Malaysia and hence, revenue is generated in Malaysia.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014**33. FINANCIAL INSTRUMENTS****(a) Classification of financial instruments**

The Trust's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in Note 4(b), 4(c) and 4(d) describe how the classes of financial instruments are measured, and how income and expenses, including fair value on gains and losses, are recognised. The following table analyses the financial assets and liabilities of the Trust in the statement of financial position as at 31 December 2014 by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Financial assets at FVTPL RM	Loans and Receivables RM	Financial liabilities at amortised cost RM	Total RM
31.12.2014				
Assets				
Real estate-related assets	615,743	-	-	615,743
Non-real estate-related assets	1,828,021	-	-	1,828,021
Deposits with financial institutions	-	10,132,260	-	10,132,260
Trade receivables	-	646,635	-	646,635
Other receivables	-	189,065	-	189,065
Cash and bank balances	-	25,007	-	25,007
Total financial assets	<u>2,443,764</u>	<u>10,992,967</u>	-	<u>13,436,731</u>
Liabilities				
Financing	-	-	38,465,824	38,465,824
Rental deposits	-	-	4,453,275	4,453,275
Other payables	-	-	731,295	731,295
Amount due to Manager	-	-	131,169	131,169
Total financial liabilities	-	-	<u>43,781,563</u>	<u>43,781,563</u>
Income				
Realised gain on disposal of investments	2,100	-	-	2,100
Unrealised loss on valuation of investments	(12,607)	-	-	(12,607)
Dividends	116,257	-	-	116,257
Interest income	-	366,246	-	366,246
Financing costs	-	-	1,031,556	1,031,556
31.12.2013				
Assets				
Real estate-related assets	189,350	-	-	189,350
Non-real estate-related assets	1,872,998	-	-	1,872,998
Deposits with financial institutions	-	15,779,317	-	15,779,317
Trade receivables	-	716,671	-	716,671
Other receivables	-	185,371	-	185,371
Cash and bank balances	-	32,879	-	32,879
Total financial assets	<u>2,062,348</u>	<u>16,714,238</u>	-	<u>18,776,586</u>
Liabilities				
Financing	-	-	20,767,076	20,767,076
Rental deposits	-	-	4,325,636	4,325,636
Other payables	-	-	785,876	785,876
Amount due to Manager	-	-	134,524	134,524
Total financial liabilities	-	-	<u>26,013,112</u>	<u>26,013,112</u>
Income				
Realised loss on disposal of investments	32,511	-	-	32,511
Unrealised gain on valuation of investments	8,965	-	-	8,965
Dividends	94,605	-	-	94,605
Interest income	-	417,013	-	417,013
Financing costs	-	-	(655,389)	(655,389)

34. FAIR VALUE HIERARCHY

Fair value information

Fair value of completed real estates and equity investments are categorised as follows:

2014	Level 1	Level 2	Level 3	Total
Quoted shares	2,443,764	-	-	2,443,764
Completed real estates	-	-	169,950,000	169,950,000
	<u>2,443,764</u>	<u>-</u>	<u>169,950,000</u>	<u>172,393,764</u>
2013	Level 1	Level 2	Level 3	Total
Quoted shares	2,062,348	-	-	2,062,348
Completed real estates	-	-	164,500,000	164,500,000
	<u>2,062,348</u>	<u>-</u>	<u>164,500,000</u>	<u>166,562,348</u>

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical real estates that the entity can assess at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the real estate, either directly or indirectly.

Level 2 fair value of land has been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Transfer between Level 1 and 2 fair values

There is no transfer between Level 1 and 2 fair values during the current and previous financial year.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the real estates.

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

	2014 RM	2013 RM
At 1 January	164,500,000	161,150,000
Addition	5,697,821	6,374,877
Disposals	(800,000)	(1,950,000)
Fair value adjustment	552,179	(1,074,877)
At 31 December	<u>169,950,000</u>	<u>164,500,000</u>

The fair value of real estate is determined by independent professional valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent professional valuers provide the fair value of the Trust's real estate portfolio annually. Changes in Level 3 fair values are analysed by the management annually after obtaining valuation report from the professional valuers.

The fair value of real estate is determined using the comparison and investment method which considers income and expense data relating to the subject property being valued and estimates value through a capitalisation process. Capitalisation relates income (usually net income figure) and a defined value type by converting an income amount into value estimate. This process may consider direct relationship (known as capitalisation rates), yield or discount rates (reflecting measures of return on investment), or both. In general, the principle of substitution holds that the income stream which produces highest return commensurate with a given level of risk leads to the most probable value figure.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Introduction

The Trust maintains investment portfolios in a variety of listed financial instruments as dictated by its Trust Deed and investment management strategy.

The Trust is exposed to a variety of risks including market risk (which includes interest rate risk, and price risk), credit risk, and liquidity risk. Whilst these are the most important types of financial risks inherent in each type of financial instruments, the Manager and the Trustee would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Trust.

The Trust's objective in managing risk is the creation and protection of Unit holders' value. Risk is inherent in the Trust's activities, but it is managed through a process of ongoing identification, measurement and monitoring of risks. Financial risk management is also carried out through sound internal control systems and adherence to the investment restrictions as stipulated in the Trust Deed, the Securities Commission's Guidelines on Real Estate Investments Trusts and the Capital Markets and Services Act, 2007.

(b) Risk management structure

The Trust's Manager is responsible for identifying and controlling risks. The Board of Directors of the Manager is ultimately responsible for the overall risk management approach within the Trust.

(c) Risk measurement and reporting system

Monitoring and controlling risks is primarily set up to be performed based on limits established by the Manager and the Trustee. These limits reflect the investment strategy and market environment of the Trust as well as the level of the risk that Trust is willing to accept. In addition, the Trust monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risks type and activities.

(d) Risk mitigation

The Trust has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy. The Manager ensures that the Trust complies with the various regulations and guidelines as stipulated in its Trust Deed, the Securities Commission's Guidelines on Real Estate Investment Trust and the Capital Markets and Services Act, 2007.

It is, and has been throughout the current and previous financial year, the Trust's policy that no derivatives shall be undertaken for either investment risk management purposes.

(e) Excessive risk concentration

Concentration indicates the relative sensitivity of the Trust's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentration of risk, the Trust's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio in accordance with the Trust's Trust Deed, and the Securities Commission's Guidelines on Real Estate Investment Trusts. Portfolio diversification across a number of sectors and industries minimises the risk not only of any single company's securities becoming worthless but also of all holdings suffering uniformly adverse business conditions. Specifically, the Trust's Trust Deed and Securities Commission's Guidelines on Real Estate Investment Trusts limits the Trust's exposure to a single entity/industry sector to a certain percentage of its NAV.

(f) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The maximum risk resulting from financial instruments equals their fair value.

(i) Interest rate risk

The Trust's investments in deposits with financial institutions carry fixed interest rates and are usually rolled-over on a daily/month basis.

The Trust's revolving credit facility carries floating rate and usually rolled-over on maturity date.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(f) Market risk (Contd.)

(i) Interest rate risk (Contd.)

Interest rate risk sensitivity

The following table demonstrates the sensitivity of the Trust's profit/ [loss] for the year and other comprehensive income to a reasonably possible change in interest rates, with all other variables held constant.

The sensitivity is the effect of the assumed changes in interest rates on:

- the financing costs for one year, based on the floating rate financial liability held at the end of the reporting period; and
- changes in fair value of investments for the year, based on revaluing fixed rate financial assets at the end of the reporting period.

	Sensitivity of other Changes in basis points *	Sensitivity of interest income and profit Increase/ (decrease) RM
2014		
Deposit with financial institutions	+50 /-50	50,661/ (50,661)
Financing	+50 /-50	192,329/ (192,329)
2013		
Deposit with financial institutions	+50 /-50	78,897/ (78,897)
Financing	+50 /-50	103,835/ (103,835)

* The assumed movement in basis points for interest rate sensitivity is based on the currently observable market environment.

(ii) Interest rate risk exposure

The following table analyses the Trust's interest rate risk exposure. The Trust's assets and liabilities are included at fair value and categorised by maturity dates.

	0 - 3 months RM	3 months - 1 year RM	Non-interest bearing RM	Effective Interest rate * %
31.12.2014				
Assets:				
Real estate-related assets	-	-	615,743	-
Non-real estate-related assets	-	-	1,828,021	-
Deposits with financial institutions	9,934,392	197,868	-	4.10
Other assets	-	-	860,711	-
Total assets	<u>9,934,392</u>	<u>197,868</u>	<u>3,304,475</u>	
Liabilities:				
Financing	-	38,465,824	-	4.26
Other liabilities	365,524	8,939	4,813,220	4.26
Total liabilities	<u>365,524</u>	<u>38,474,763</u>	<u>4,813,220</u>	
Total interest sensitivity gap	<u>9,568,868</u>	<u>(38,276,895)</u>	<u>(1,508,745)</u>	

* Computed based on interest-bearing assets and liabilities only

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)**(f) Market risk (Contd.)****(ii) Interest rate risk exposure (Contd.)**

	0 - 3 months RM	3 months - 1 year RM	Non-interest bearing RM	Effective Interest rate * %
31.12.2013				
Assets:				
Real estate-related assets	-	-	189,350	-
Non-real estate-related assets	-	-	1,872,998	
Deposits with financial institutions	15,779,317	-	-	3.37
Other assets	-	-	935,921	-
Total assets	<u>15,779,317</u>	<u>-</u>	<u>2,998,269</u>	
Liabilities				
Financing	-	20,767,076	-	3.95
Other liabilities	175,756	36,567	4,980,091	3.95
Total liabilities	<u>175,756</u>	<u>20,803,643</u>	<u>4,980,091</u>	
Total interest sensitivity gap	<u>15,603,561</u>	<u>(20,803,643)</u>	<u>(1,981,822)</u>	

* Computed based on interest-bearing assets and liabilities only

(iii) Equity price risk

Equity price risk is the risk of unfavourable changes in the fair values of equities as the result of changes in the levels of equity indices and the value of individual shares. The equity price risk exposure arises from the Trust's investments in quoted equity securities.

(iv) Equity price sensitivity

Management's best estimate of the effect on the profit/ [loss] for the year and other comprehensive income due to a reasonably possible change in equity indices, with all other variables held constant is indicated in the table below:

Market index	Changes in equity price %	Effects on profit for the year increase/ (decrease) RM
2014		
FTSE Bursa Malaysia KLCI	+10 / -10	244,376 / (244,376)
2013		
FTSE Bursa Malaysia KLCI	+10 / -10	206,235 / (206,235)

An equivalent decrease in each of the indices shown above would have resulted in an equivalent, but opposite, impact.

In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material.

Equity price concentration

All the equity investments of the Trust are made in Malaysian entities.

The Trust's concentration of equity price risk analysed by the Trust's equity instruments by sector is as disclosed in Note 14 and 15.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(g) Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Trust by failing to discharge an obligation. The Trust is exposed to the risk of credit-related losses that can occur as a result of a tenant and issuer/counterparty or issuer being unable or unwilling to honour its contractual obligations to make timely repayments of interest, principal, settlement of receivables and proceeds from realisation of investments. These credit exposures exist within financing relationships and other transactions.

The Manager manages the Trust's credit risk by undertaking credit evaluation and close monitoring of any changes to the tenant and issuer/counterparty's credit profile to minimise such risk. It is the Trust's policy to enter into financial instruments with reputable tenant and counterparties. The Manager also closely monitors the creditworthiness of the Trust's counterparties e.g., brokers, custodians, banks, etc.

Credit risk exposures

At the reporting date, the Trust's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Financial assets that are either past due or impaired

Information regarding trade receivables that are either past due or impaired is disclosed in Note 19.

(h) Liquidity Risk

Liquidity risk is defined as the risk that the Trust will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Trust could be required to pay its liabilities earlier than expected.

It is the Trust's policy that the Manager monitors the Trust's liquidity position on a daily basis.

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements. Liquid assets comprise cash, deposits with financial institutions and other instruments which are capable of being converted into cash within 7 days.

The following table summarises the maturity profile of the Trust's financial assets and financial liabilities (undiscounted where appropriate) in order to provide a complete view of the Trust's contractual commitments and liquidity. Balances due within six months equal their carrying amounts, as the impact of discounting is insignificant.

	Less than 1 month RM	1 month to 3 months RM	3 months to 1 year RM	Total RM
31.12.2014				
Financial Assets:				
Real estate-related assets	615,743	-	-	615,743
Non-real estate-related assets	1,828,021	-	-	1,828,021
Deposits with financial institutions	9,934,392	197,868	-	10,132,260
Other assets	700,358	160,353	-	860,711
Total undiscounted financial assets	13,078,514	358,221	-	13,436,735
Financial liabilities:				
Financing	-	339,647	38,474,763	38,814,410
Other liabilities	4,801,156	-	-	4,801,156
Total undiscounted liabilities	4,801,156	339,647	38,474,763	43,615,566

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)**(h) Liquidity Risk (Contd.)**

	Less than 1 month RM	1 month to 3 months RM	3 months to 1 year RM	Total RM
31.12.2013				
Financial Assets:				
Real estate-related assets	189,350	-	-	189,350
Non-real estate-related assets	1,872,998	-	-	1,872,998
Deposits with financial institutions	15,557,181	222,136	-	15,779,317
Other assets	786,685	149,236	-	935,921
Total undiscounted financial assets	<u>18,406,214</u>	<u>371,372</u>	-	<u>18,777,586</u>
Financial liabilities:				
Financing	-	175,756	20,803,644	20,979,400
Other liabilities	4,980,090	-	-	4,980,090
Total undiscounted liabilities	<u>4,980,090</u>	<u>175,756</u>	<u>20,803,644</u>	<u>25,959,490</u>

(i) Financial assets

Analysis of financial assets at fair value through profit or loss into maturity groupings is based on the expected date on which these assets will be realised. Quoted equity instruments have been included in the "Less than 1 month category" on the assumption that these are highly liquid investments which can be realised should all of the Trust's unit holders' capital are required to be redeemed. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised/maturity dates of the financial assets.

(ii) Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Trust can be required to pay.

36. COMMITMENTS

	2014 RM	2013 RM
Capital commitments:		
Approved and contracted for real estate	15,430,770	37,295,847

37. CURRENCY

All amount are stated in Ringgit Malaysia ("RM").

UNIT HOLDERS RESOURCE PAGE

The following information is intended to help you in answering the “What to do?” questions that you may have in managing some of the common issues concerning your investment in AHP.

- “Old” unit certificates issued in 1989 (pink in colour) in no longer valid as they have been replaced with “new” certificates blue in colour 1990.
 - If you are holding the “new” unit certificate issued in 1990, it is very likely that your units have been transferred to the Minister of Finance by virtue of Section 29 of the Securities Industry (Central Depositories) (Amendment)(No. 2) Act 1998
(refer to “What if my units have been transferred to the Minister of Finance?”).
 - If you have the “old” certificate but do not have the “new” unit certificate, kindly check your CDS account as you may have already deposited the “new” certificate into your CDS account. There is also possibility that you have sold/transferred the units subsequent to depositing the certificate into your CDS account.
 - It is recommended that you check your records (bank statements, CDS statements, etc) to determine the status of your units before contacting the Share Registrar (Symphony Share Registrars Sdn Bhd). It is very difficult and time consuming for the Share Registrar to check records which are over 7 years old (please note that the Share Registrar is not obligated to keep records which are over 7 years old).
2. How to update any change in correspondence address?
- You simply need to update the details of your CDS account in which your units are deposited into.
 - To update your CDS account details, simply contact your broker or the “CDS Department” of the securities company at which you opened your CDS account.
 - During each income distribution, the Share Registrar will obtain a copy of Record of Depositors (ROD) from Bursa Malaysia Depository Sdn Bhd which contains information such as your name, your CDS account no., correspondence address and the number of AHP units that you have. The data in the ROD corresponds with the details of your CDS account. Thus, by updating your CDS account, the Share Registrar can “obtain” your latest address from the ROD.
3. AHP had made income distribution but I still have not received my income distribution warrant.
- If you have not deposited your units into CDS account, your units would have been transferred to the Minister of Finance *(refer to “What if my units have been transferred to the Minister of Finance?”).*
 - If your correspondence address have changed after the entitlement date of the income distribution, your warrant would have been sent to your old address. Kindly check at your old address or you could also request for a replacement warrant in which case it is treated as lost income distribution warrant *(refer to “How do I obtain a replacement income distribution warrant?”).*
 - If you have not moved and there is no change in your correspondence address and it has been more than 2 weeks after the payment date of the income distribution, it is highly possible that the warrant is lost in mail and therefore you could contact the Share Registrar for a replacement warrant *(refer to “How do I obtain a replacement income distribution warrant?”).*
4. How do I obtain a replacement income distribution warrant?
- Contact the Share Registrar (Symphony Share Registrars Sdn Bhd) to request for a replacement warrant.
 - Any request for replacement warrant involves a fee of RM5.00.
 - Contact details of the Share Registrar:
SYMPHONY SHARE REGISTRARS SDN BHD
LEVEL 6, SYMPHONY HOUSE
BLOCK D13, PUSAT DAGANGAN DANA 1, JALAN PJU 1A/46
47301 PETALING JAYA, SELANGOR
Tel: 03-7841 8000 Fax: 03-7841 8151 / 8152
5. How do I get my expired/out-dated warrant replaced?
- Income distribution warrant is valid for six months from the payment date
 - Expired/out-dated warrants can be replaced by contacting the Share Registrar *(refer to “How do I obtain a replacement income distribution warrant?”).*
6. What if my units have been transferred to the Minister of Finance?
- Under Section 29 of the Securities Industry (Central Depositories) (Amendment)(No. 2) Act 1998, any securities not deposited into CDS account by 1 December 1998 would be transferred to the Minister of Finance.
 - Affected unit holders were given until 1 June 1999 to file a claim with the authorities for the recovery of their units.
 - Unit holders who failed to file a claim for recovery, now can only claim for refund of proceeds from the sale of the units by submitting relevant forms and supporting documents to the Jabatan Akauntan Negara *(refer to “How to claim for refund of sale proceeds from Jabatan Akauntan Negara?”).*

7. If a unit holder passed-away, what happened to his/her units?
- If the units have been deposited into CDS account of the deceased, the units will remain in the account and the duly authorised administrator or beneficiaries can submit application for the units to be transferred into their CDS account (*refer to "I am the authorised administrator of the estate of a deceased unit holder. How do I get the units transferred?"*).
 - If the units have not been deposited into CDS account, duly authorised administrator or beneficiaries can submit application to the Jabatan Kauntan Negara for refund of proceeds from the disposal of the units (*refer to "How to claim for refund of sale proceeds from Jabatan Akauntan Negara"*).
8. I am the authorised administrator of the estate of a deceased unit holder. How do I get the units of the deceased transferred to my CDS account?
- If the units are to be transferred to you, you should have a Central Depository System Account (CDS Account) opened in your name.
 - CDS account can be opened at any stock broking companies. A minimal one-time fee of RM10.00 is applicable.
 - If you are in the Klang Valley, you may proceed directly to the Customer Service Counter of Bursa Malaysia (located on the ground floor) to fill-in the relevant forms and submit certified copy of the relevant Letter of Administration or Grant of Probate.
 - If you are outside of Klang Valley, you may submit your application through the stock broking company at which your CDS account is maintained.
9. How to claim for refund of sale proceeds from Jabatan Akauntan Negara?
- Obtain Form SPS2 and UMA7 from Jabatan Akauntan Negara or from the Share Registrar (Symphony Share Registrars Sdn Bhd).
 - Duly completed forms and supporting documents should be submitted to:

JABATAN AKAUNTAN NEGARA
SEKSYEN PENGURUSAN SEKURITI
TINGKAT 42, MENARA MAYBANK,
100, JALAN TUN PERAK
50050 KUALA LUMPUR
Tel: 03-2034 1850 (ext. 119/123/124/125)
Faks: 03-2026 7430
 - Relevant supporting documents:
 - i. Original unit certificate
 - ii. Certified copy of identity card
 - iii. Certified copy of Letter of Administration/Grant of Probate (for deceased case)
 - Additional supporting documents if original unit certificate is lost:
 - i. Confirmation letter from the Share Registrar
 - ii. Copy of newspaper advertisement if value of claim in excess of RM10,000 (contact Jabatan Akauntan Negara to confirm the value of claim)
 - iii. Statutory declaration
 - iv. Original/certified copy of police report
 - v. Form UMA-8 (with RM10 revenue stamp duly endorsed by IRB)
10. How can I buy/sell units of AHP?
- AHP is a real estate investment trust which is listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Securities).
 - As a listed counter, the process of buying/selling units of AHP is similar to those of other listed counters.
 - Buying and selling of units can only be carried out through licensed stock broking companies.

AMANAH HARTA TANAH PNB
NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the 3rd. Annual General Meeting of Amanah Harta Tanah PNB ("AHP") will be held at the Theatrette, Level 2 of Menara PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur on Thursday, 26 March 2015 at 3.00 p.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To lay before the Meeting the Audited Financial Statements of AHP for the year ended 31 December 2014 together with the Auditors' Report issued by Messrs. Hanafiah Raslan & Mohamad.

**For
Discussion Only**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modification, the following Ordinary Resolution:

- 2. PROPOSED AUTHORITY TO ALLOT AND ISSUE NEW UNITS PURSUANT TO CLAUSE 14.03 OF THE SECURITIES COMMISSION MALAYSIA'S GUIDELINES ON REAL ESTATE INVESTMENT TRUSTS ("REITS GUIDELINES")**

**Ordinary
Resolution 1**

"**THAT** pursuant to the REITs Guidelines, Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approval of any relevant regulatory authorities, where such approval is required, approval be and is hereby given to the Directors of the Manager to allot and issue new units in AHP ("Units") from time to time to such persons and for such purposes as the Directors of the Manager may deem fit provided that the number of new Units to be allotted and issued, when aggregated with the number of units issued during the preceding 12 months must not exceed 20% of the existing approved fund size of AHP for the time being comprising 1,000,000,000 units ("Proposed Unit Holders' Mandate") and the Directors of the Manager be and are hereby empowered to obtain the approval for the listing of and quotation for such new Units on the Main Market of Bursa Malaysia Securities Berhad **AND THAT** such authority shall continue to be in force until;

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Unit Holders, at which time it shall lapse, unless the authority is renewed by Unit Holders; or
- (b) the expiration of the period within which the next AGM of the Unit Holders is required by law to be held; or
- (c) revoked or varied by the Unit Holders at an earlier Unit Holders' meeting; whichever occurs first ("Validity Period");

AND THAT the new Units to be issued pursuant to the Proposed Unit Holders' Mandate shall, upon allotment and issuance, rank equally in all respects with the existing Units except that the new Units will not be entitled to any distributable income, right, benefit, entitlement and/or any other distributions that may be declared before the date of allotment and issuance of such new Units;

AND FURTHER THAT the Manager and the Trustee (for and on behalf of AHP) be and are hereby authorised to give effect to the Proposed Unit Holders' Mandate with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or as the Manager and the Trustee may deem to be in the best interests of the Unit Holders and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner (including executing such documents as may be required) as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Unit Holders' Mandate."

AS OTHER BUSINESS

3. To transact such other business as may be transacted at an AGM where due notice has been given.

BY ORDER OF THE BOARD

Pelaburan Hartanah Nasional Berhad (175967-W)
(as the Manager of Amanah Harta Tanah PNB)

Adibah Khairiah binti Ismail @ Daud (MIA 13755)
Company Secretary
Kuala Lumpur
27 February 2015

Notes:

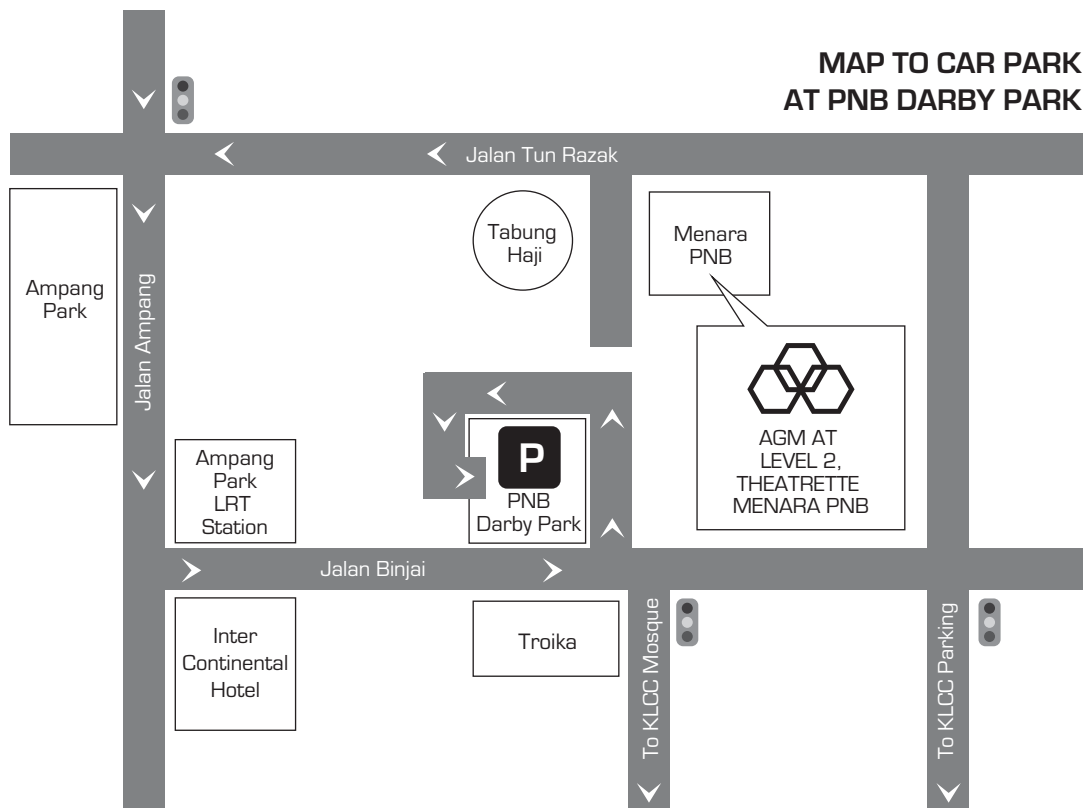
1. A Unit Holder who is entitled to attend the meeting is entitled to appoint up to two (2) proxies to attend instead of him. Where a Unit Holder intends to appoint two proxies, the appointment shall be invalid unless the Unit Holder specifies the proportions of his/her holdings to be represented by each proxy. A proxy must be a Unit Holder except with the consent of the Manager unless the Unit Holder is a corporation who shall be entitled to appoint any officer (whether a Unit Holder or not) as its proxy to attend.
2. In the case of a vote to be taken by show of hands, every registered Unit Holder who is present in person or by proxy shall have one (1) vote. In the event that a registered Unit Holder appoints two proxies, only the First Proxy shall vote on behalf of the Registered Unit Holders.
3. If a person is present in the capacity of a registered Unit Holder and a proxy for another registered Unit Holder or as proxy for more than one registered Unit Holders he shall be entitled to exercise only one (1) vote on a show of hands.
4. Where a Unit Holder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint a proxy in respect of each securities account it holds in units standing to the credit of the said securities account.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of its attorney duly authorised in writing or if such appointer is a corporation either under its common seal or under the hand of an officer or attorney so authorised.
6. The instrument appointing proxy shall be deposited at the office of the appointed Registrar of AHP, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor not less than forty eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.
7. Only Unit Holders whose names appear in the Records of Depositors as at 20 March 2015 shall be entitled to attend and speak at the Meeting or appoint proxy(ies) to attend on his behalf.

Explanatory Notes on Special Business:

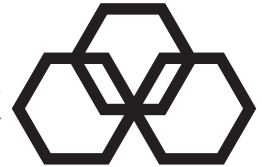
1. **Ordinary Resolution 1 – Authority to allot and issue new Units pursuant to Clause 14.03 of the REITs Guidelines**
The Resolution, if passed, will give a mandate to the Manager to allot and issue Units of AHP from time to time provided that the number of Units to be allotted and issued during the Validity Period, when aggregated with the number of Units issued during the preceding 12 months must not exceed 20% of the existing approved fund size of AHP for the time being comprising 1,000,000,000 units. This Proposed Unit Holders' Mandate, unless revoked or varied at a subsequent Unit Holders' Meeting, will expire at the conclusion of the next AGM of AHP.
The Proposed Unit Holders' Mandate will allow the Manager the flexibility to allot and issue new Units of AHP to raise funds to finance future investments, acquisitions and capital expenditure to enhance the value of AHP and/or to refinance existing debt as well as for working capital purposes, subject to the relevant laws and regulations.
The Proposed Unit Holders' Mandate, if passed, will avoid delays and further costs involved in convening separate general meetings to approve the new issue of Units to raise funds.

ADMINISTRATIVE NOTES FOR UNIT HOLDERS ATTENDING THE 3rd AGM

- i. Registration will commence at 2.00 p.m. and unit holders are requested to be punctual.
- ii. Original national registration identity card (NRIC) is required during registration for verification purpose.
- iii. Complimentary parking for the first 2 hours is available at the upper levels of PNB Darby Park, a building adjacent to Menara PNB. Access to the parking is via Jalan Binjai.



AMANAH HARTA TANAH PNB
FORM OF PROXY



I/We _____ NRIC/Company No. _____

Telephone no. _____ of _____

being a Registered Unit Holder of Amanah Harta Tanah PNB ("AHP") hereby appoint:

1st Proxy	Full Name, Address and Telephone No.	NRIC No.	Proportion of Unit Holdings to be Represented

and/or failing whom (to delete whichever is not applicable):

2nd Proxy	Full Name, Address and Telephone No.	NRIC No.	Proportion of Unit Holdings to be Represented

or failing whom, the Chairman of the meeting as my/our proxy/proxies to attend and vote on my/our behalf the 3rd Annual General Meeting of AHP to be held at the Theatre, 2nd Floor of Menara PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur on 26 March 2015 at 3.00 p.m. and any adjournment thereof.

No.	Ordinary Resolution	For	Against
1	Proposed Unit Holders' Mandate		

Please indicate with an "X" in the space provided above as to how you wish your vote to be casted. In the absence of specific directions, your proxy/proxies will vote or abstain from voting on the resolution at his/their discretion.

Dated this _____ day of March, 2015

Number of Units Held	
CDS Account No.	

Signature/Seal of Unit Holder

Notes:

1. A Unit Holder who is entitled to attend the meeting is entitled to appoint up to two (2) proxies to attend instead of him. Where a Unit Holder intends to appoint two proxies, the appointment shall be invalid unless the Unit Holder specifies the proportions of his/her holdings to be represented by each proxy. A proxy must be a Unit Holder except with the consent of the Manager unless the Unit Holder is a corporation who shall be entitled to appoint any officer (whether a Unit Holder or not) as its proxy to attend.
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Fold this flap for sealing

Then fold here

AFFIX
STAMP

SYMPHONY SHARE REGISTRARS SDN BHD
(Registrar for Amanah Harta Tanah PNB)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

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