

AMANAH HARTA TANAH PNB



LAPORAN TAHUNAN
ANNUAL REPORT

2015



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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
Tan Sri Dato' Seri (Dr) Abd. Wahab bin Maskan
Dato' Seri Mohd. Hussaini bin Haji Abdul Jamil
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

Hafidz Atrash Kosai bin Mohd Zihim (Executive Director/Chief Executive Officer)
Mohd Sabarani bin Sulaiman (Head of Asset Management)
Nur Adzlina binti Kamaruddin (Head of Finance & Operations)
Normala binti Lamin (Head of Strategy & Investment)

TRUSTEE

AmanahRaya Trustees Berhad (766894-T)
Tingkat 2, Wisma Amanah Raya II, 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 Bhd (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, 2015.

FINANCIAL RESULTS

For the year ended December 31, 2015, AHP earned total income of RM17.268 million (2014: RM8.810 million) comprising net rental income of RM7.871 million (2014: RM7.779 million), other investment income which comprise of income from deposit with financial institutions, gain on disposal of quoted shares, gross dividend of RM0.414 million (2014: RM0.491 million), and unrealised gain on valuation of quoted shares and real estates of RM8.982 million (2014: unrealised gain of RM0.540 million). 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 RM4.5 million (2014: RM2.972 million), giving a net income before taxation for the year of RM12.768 million (2014: RM5.838 million).

For the year ended December 31, 2015, AHP has recorded an increase of RM6.931 million or 118.72% in income before taxation from the preceding year which is mainly attributed from the unrealised gain recorded during the year as a result of the update revaluation of real estate pursuant to Clause 10.03 of the Guidelines on Real Estate Investment Trust issued by the Securities Commission Malaysia although it recorded lower rental income and increase in other trust expenses. Income after taxation for 2015 of RM12.305 million, represents an increase of RM8.418 million or 216.56% from RM3.887 million recorded in 2014. The deferred tax of RM0.463 million charged for the year is 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 3.50 sen a unit for the period from July 1, 2015, to December 31, 2015, which is payable on February 29, 2016. With an interim income distribution of 3.50 sen a unit for the period from January 1, 2015, to June 30, 2015, which was paid on August 29, 2015, the total income distribution for the financial year ended December 31, 2015, amounts to RM7.00 million or 7.00 sen a unit.

INVESTMENT PORTFOLIO OF AHP

Total investment of AHP as at December 31, 2015 amounted to RM219.393 million. This comprises investment in real estate at a fair value of RM180.7 million, investment in quoted shares at market value of RM2.212 million and short-term investment of RM6.290 million.

INVESTMENT IN REAL ESTATE

As at December 31, 2015, the real estate in the portfolio of AHP now stood at six (6). The average occupancy rate of the real estates of AHP was 78.34% with three of the six real estate namely Sri Impian, located at Taman Setiawangsa, Kuala Lumpur and two 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 84.62% despite the on-going upgrading works. Bangunan AHP, which is also located at Taman Tun Dr. Ismail, Kuala Lumpur, recorded an occupancy level of 55.60%. Shopoffice in Taman Tun Dr Ismail, Kuala Lumpur recorded 63.64%.



The upgrading and refurbishment works of the tower block and the construction of a new four-storey podium block of Plaza VADS have been fully completed as at December 2015. The new podium block was designed and constructed to comply with the Green Building Index (GBI) certification. Management is awaiting the issuance of Certificate of Completion and Compliance (CCC) which is expected to be obtained by end of February 2016, before allowing for the new tenants to move in. As at to date, Management had secured four tenants who have confirmed to take up the new spaces at the newly completed podium block. As a result of aggressive marketing by the Management, the new podium block has registered an occupancy rate of 57% even prior to obtaining the CCC. Management will continue its aggressive marketing strategy in securing good and reliable tenants for the building.

REVIEW OF THE PROPERTY MARKET

For Purpose Built Office ("PBO") segment, approximately 226,172 sq. m of new office space entered the market in the 1H of 2015, reflecting a meagre increase of 1.2% from the 2H of 2014. It was reported that 209,123 sq. m new supply of retail space was injected into the market in the 1H of 2015, recording a marginal 1.6% increase from the 2H of 2014.

On the demand side, the occupancy rate for privately-owned PBO in 1H of 2015 stood at 79.2%, easing slightly from 2H of 2014 of 80.2%. However, the opposite was recorded for the occupancy rate of the shopping complex segment. From the 81.3% occupancy rate recorded nationwide in 2H of 2014, the shopping complex occupancy had edged up slightly to 81.6% in 1H of 2015.

As at 1H of 2015, Kuala Lumpur accounted for 53.1% of the total privately-owned PBO space nationwide. The share of Kuala Lumpur's privately-owned PBO against the total national privately-owned PBO had increased modestly from 52.9% recorded in 2H of 2014. This would indicate a rising concentration of commercial activities in the capital.

The latest available statistics from the National Property Information Centre ("NAPIC") show that the average rental of PBO in Kuala Lumpur City Centre/Golden Triangle extending to areas such as Jalan Ampang, Jalan Tun Razak, and Jalan Pinang during 1H of 2015, had risen by 2.5% to RM61.68 per sq. m/month; representing an additional RM5.73 per sq. m/month; from RM60.17 per sq. m/month (RM5.59 per sq. f/month) recorded in 2H of 2014. On the same note, the rental of PBO Within City Centre ("WCC") which covers areas such as Jalan Bangsar, Wangsa Maju and Mid Valley for the same period increased by 0.8% to RM49.73 per sq. m/month (RM4.67 per sq. f/month). Notwithstanding the rising rental trend, the average PBO rental in suburban areas including Sri Petaling, Damansara and Cheras, dropped marginally to RM44.45 per sq. m/month (RM4.13 per sq. f/month) in 1H of 2015 from RM44.56 per sq. m (RM4.14 per sq. f/month) in 2H of 2014. Hence, reflecting a mixed picture for the rental market.

PROSPECTS

In accordance to NAPIC, the commercial property subsector is forecasted to expand by 11.3% over the next three years or 3.7% annualised. Meanwhile, the PBO subsector is expected to receive another 1.55 million sq. m or 10.6% of stock within the next three years (annualised 3.6%). A large number of incoming supply of PBO is expected to be in Kuala Lumpur and Selangor. Combined, they are estimated to welcome another 0.52 million sq. m (33.5%) and 0.61 million sq. m (39.4%) increase to the national incoming supply, respectively during the same period.

Likewise, the retail and industrial subsectors are estimated to expand by 11.9% (annualised 3.9%) and 11.4% (annualised 3.8%) respectively within the next three years. It is estimated that 1.57 million sq. m of incoming supply of retail space and 11,257 units of industrial units would be added within the next three years which will continue to buoy the overall commercial property supply going forward.

In 2016, the property market is expected to remain challenging as in 2014 and 2015, especially in the office and retail subsectors. The incoming supply of commercial and office stocks is set to flood the present oversupplied commercial market. This will create additional pressure for developers and commercial property speculators to match the flattish growth of demand due to tightened financing requirements and consumption tax.

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 77, 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 Universiti Utara Malaysia, Doctor of Business Administration by Nottingham-Trent University, United Kingdom, Doctor of Letters by 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 Non-Executive Director)

Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman, aged 64, 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 Universiti Teknologi MARA, Tan Sri Dato' 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 Financial Planning Association of Malaysia and a Registered 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 Groups 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 69, 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.)



TAN SRI DATO' SERI (DR) ABD. WAHAB BIN MASKAN

(Independent Non-Executive Director)

Tan Sri Dato' Seri (Dr) Abd. Wahab bin Maskan, aged 65, a Malaysian, was appointed to the Board of Directors of PHNB on September 17, 1990.

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

He has also held positions as Director of a number of local and overseas companies dealing in Property, Plantation and other sectors. Tan Sri Dato' Seri (Dr) Abd. Wahab is instrumental in steering Sime Darby Berhad in the Malaysian-led consortium to redevelop Battersea Power Station, one of the best known landmarks in London.

Tan Sri Dato' Seri (Dr) Abd. Wahab holds a Bachelor of Science Degree in Estate Management from the University of Reading, United Kingdom and is a Fellow of the Royal Institution of Chartered Surveyors (England and United Kingdom) (FRICS), a Fellow of the Royal Institution of Surveyors (Malaysia) (FRISM), a Fellow of the Incorporated Society Planters (FISP) and a Fellow of Malaysian Institute of Management (FMIM).



DATO' SERI MOHD. HUSSAINI BIN HAJI ABDUL JAMIL

(Independent Non-Executive Director)

Dato' Seri Mohd. Hussaini bin Abdul Jamil, aged 79, 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, the 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.

PROFILE OF THE DIRECTORS OF THE MANAGER (CONTD.)



DATO' IDRIS BIN KECHOT

(Non-Independent Non-Executive Director)

Dato' Idris bin Kechot, aged 60, a Malaysian, was appointed to the Board of Directors of PHNB on March 3, 2010. He is also the Designated Fund Manager of funds under the management of PNB. Dato' Idris is currently the Deputy President & Group Chief Operating Officer, Asset Management of PNB. Prior to this, he was Deputy President, Unit Trust of PNB and Executive Director of ASNB.

Dato' Idris has vast experience in general management, investment and unit trusts, encompassing areas of equity valuation, equity trading, and portfolio management. He started his career in 1983 as Research Analyst at the Corporate Research Department of PNB undertaking industry and sectoral research. In 1988, he joined the Investment Division, responsible for the equity investment activities of PNB and continued to serve in various capacities before being appointed as Executive Director of ASNB in 2005. He became Deputy President, Unit Trust of PNB in 2009, before assuming his current position in 2014.

Dato' Idris obtained his Bachelor of Science Degree in Agribusiness from University Putra Malaysia in 1983. In 1987, he secured his Masters Degree in Business Administration, specialising in Finance from the University of Stirling, United Kingdom. Dato' Idris also attended an Accelerated Development Programme at the London Business School, United Kingdom in 2006. Throughout his career, he has undergone extensive training and attachment programs both locally and overseas in areas of equity valuation, portfolio management and general management development. He is also a Certified Financial Planner.

Dato' Idris is currently a member of the Board of Directors of several companies.

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 40, a Malaysian, was appointed the Chief Executive Officer of PHNB on 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 Resident's 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 Meeting Held: 8)	Date of Appointment
Tun Ahmad Sarji bin Abdul Hamid	8/8	22.01.1997
Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman	6/8	24.06.1998
Tan Sri Dato' Seri Ainum binti Mohamed Saaid	7/8	31.03.2009
Tan Sri Dato' Seri (Dr.) Abd. Wahab bin Maskan	3/8	17.09.1990
Dato' Seri Mohd. Hussaini bin Abdul Jamil	8/8	12.11.1998
Dato' Idris bin Kechot	6/8	03.03.2010
Hafidz Atrash Kosai bin Mohd Zihim	8/8	21.11.2014

Other Information

(i) Relationship

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

(ii) Conflict of Interest

None of the Directors has any conflict of interest with AHP, except Dato' Seri Mohd. Hussaini bin Haji 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 Haji Abdul Jamil (Pengerusi / 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.

PARTICULARS OF DIRECTORS OF THE MANAGER (CONTD.)

(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:

- Capital Market Director Programme
- Revisiting Islamic Philanthropy for Sustainable Opportunities
- AMLATFAPUAA 2001: Complexity & Challenges in the Law & Compliance for Board of Directors
- Predicting Financial Fraud-Prevention, Detection and Remediation
- KAPLAN - Norton Balanced Scorecard for Senior Management
- Insight Knowledge in Property Business
- Light and Shadow in the Boardroom
- Financial Freedom - Growing Dreams

(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. The International Commonwealth University of Malaysia Berhad 6. Amanah Mutual Berhad 7. Yayasan Karyawan 8. 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. Securities Industry Dispute Resolution Centre 5. Professional Golf of Malaysia 6. Yayasan Karyawan
Tan Sri Dato' Seri Ainum binti Mohamed Saaid	<ol style="list-style-type: none"> 1. Permodalan Nasional Berhad 2. Amanah Saham Nasional Berhad
Tan Sri Dato' Seri Abd. (Dr.) Wahab bin Maskan	<ol style="list-style-type: none"> 1. Kuala Lumpur Golf & Country Club Berhad 2. Sime Darby Property Berhad
Dato' Seri Mohd. Hussaini bin Haji Abdul Jamil	Nil
Dato' Idris bin Kechot	<ol style="list-style-type: none"> 1. Amanah Capital Malaysia Berhad
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 56, 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 60, 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.

PROFILE AND PARTICULARS OF MEMBERS OF THE PROPERTY INVESTMENT COMMITTEE (CONTD.)

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

Prof. Datuk Dr. Nik Mohd. Zain bin Haji Nik Yusof, aged 69, 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.

Investment Committee Members' Attendance Record

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

Other Information

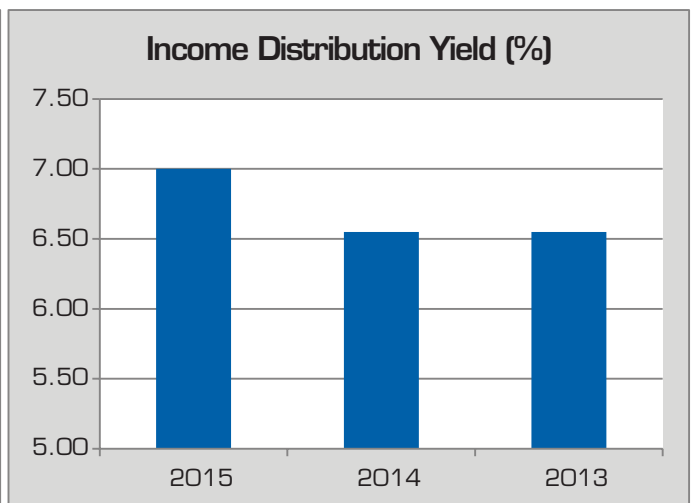
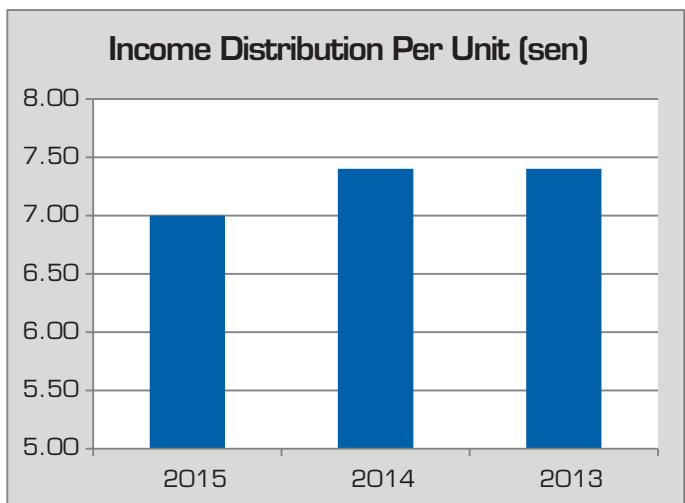
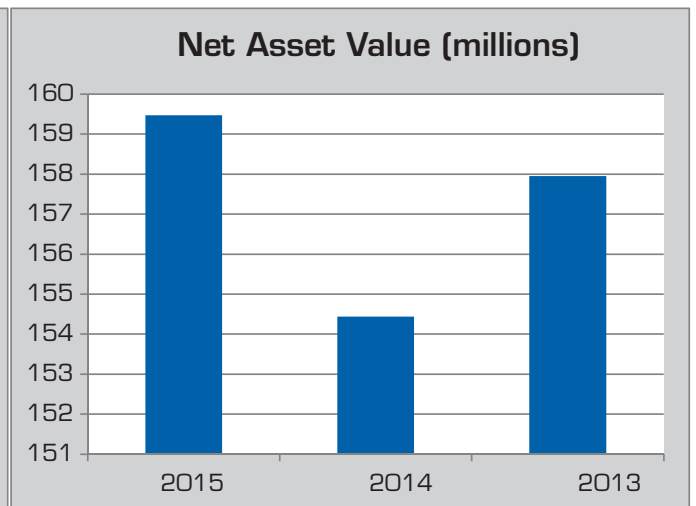
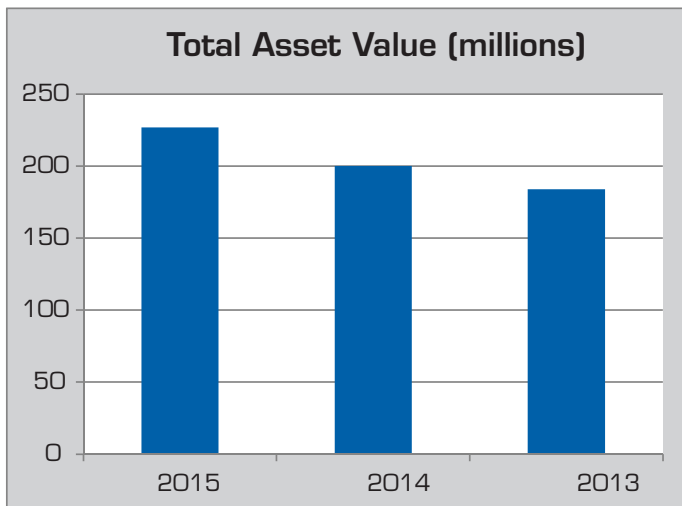
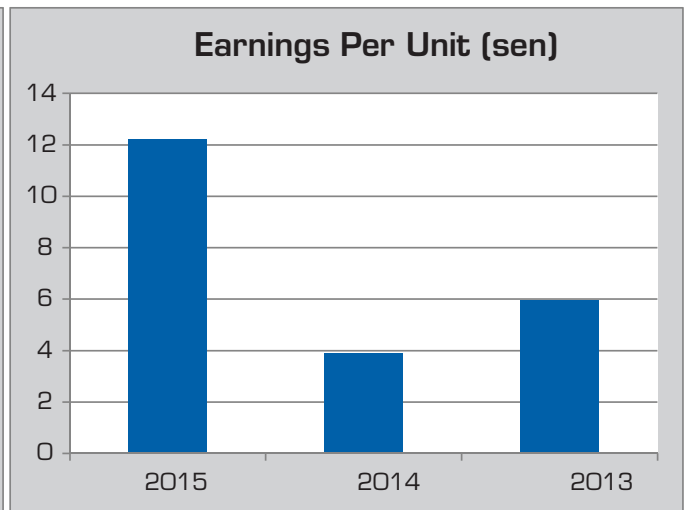
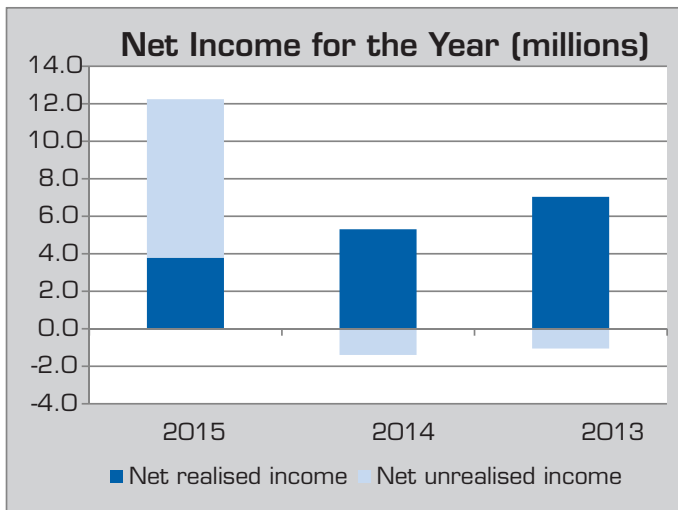
(i) Conflict of Interest

None of the members of property investment committee has any conflict of interest with AHP, except Dato' Seri Mohd. Hussaini bin Haji 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

Financial Year Ended December 31,	2015	2014	2013
Statement of Financial Position			
Total Asset Value (RM'000)	226,853	200,173	183,967
Total Islamic Financing (RM'000)	59,894	38,466	20,767
Net Asset Value before final income distribution (RM'000)	159,547	154,441	157,954
Net Asset Value after final income distribution (RM'000)	156,047	150,741	154,254
Net Asset Value per Unit			
- Before final income distribution (sen)	159.55	154.44	157.95
- After final income distribution (sen)	156.05	150.74	154.25
- Highest Net Asset Value (sen)	159.55	158.47	157.95
- Lowest Net Asset Value a unit (sen)	149.52	154.44	156.41
Unit in Circulation ('000)	100,000	100,000	100,000
Statement of Comprehensive Income			
Net property income (RM'000)	7,872	7,779	8,597
Income after taxation			
- Realised (RM'000)	3,786	5,298	7,027
- Unrealised (RM'000)	8,519	(1,411)	(1,066)
	12,305	3,887	5,961
Earnings per unit			
- Realised (sen)	3.79	5.30	7.03
- Unrealised (sen)	8.52	(1.41)	(1.07)
	12.31	3.89	5.96
Distribution to Unitholders			
- Interim (RM'000)	3,500	3,700	3,700
Date of Distribution	29/08/2015	29/08/2014	30/08/2013
- Final (RM'000)	3,500	3,700	3,700
Date of Distribution	29/02/2016	27/02/2015	28/02/2014
	7,000	7,400	7,400
Income Distribution per unit *			
- Interim (sen)	3.50	3.70	3.70
- Final (sen)	3.50	3.70	3.70
	7.00	7.40	7.40
Ratios			
Management Expense Ratio (%)	1.46	1.24	1.16
Portfolio Turnover Ratio (times)	1.04	0.97	0.87
Gearing Ratio (%)	26.40	19.22	11.29
Distribution Yield (%)	7.00	6.55	6.55
Unit Price Performance			
Closing market price (RM)	1.00	1.13	1.13
Highest traded price per unit (RM)	1.21	1.23	1.27
Lowest traded price per unit (RM)	0.91	1.09	1.06
Average closing price per unit (RM)	1.07	1.16	1.13

Note: * Exempted from tax at Trust level

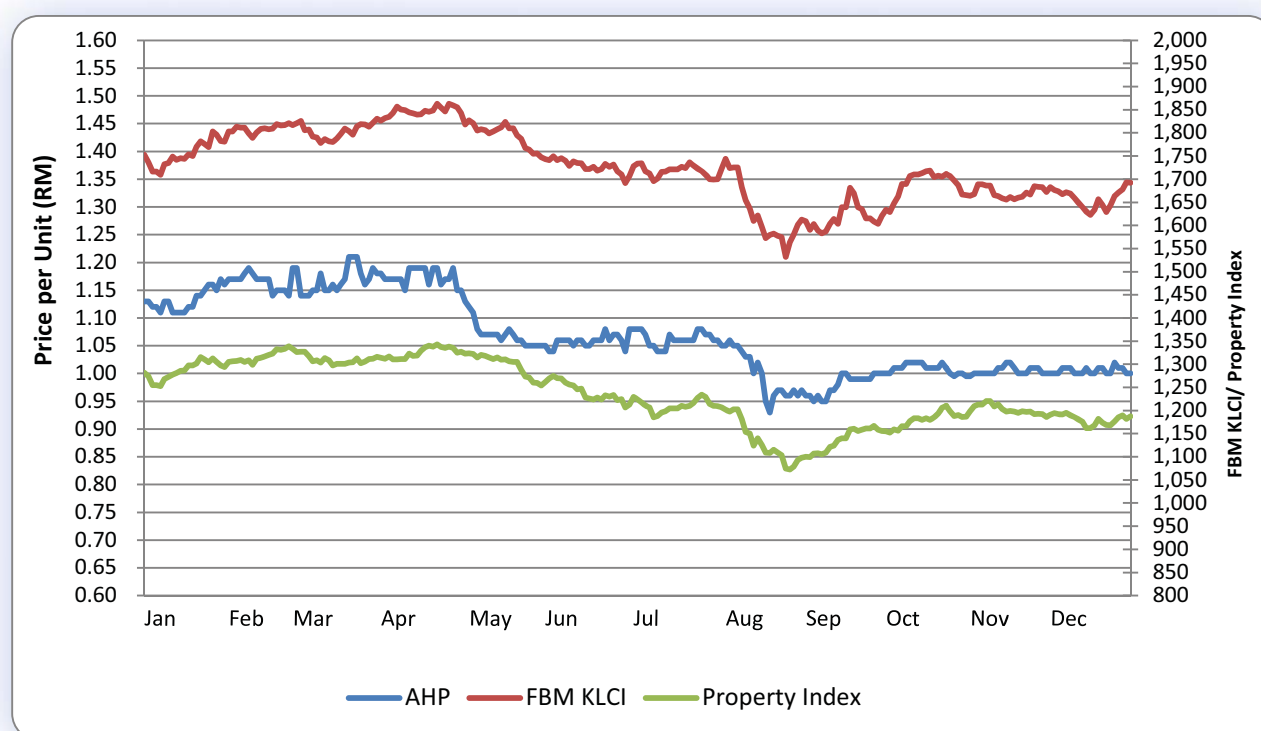
PERFORMANCE DATA (CONTD.)

Average Annual Return	One Year %	Three Years %	Five Years %	Since 1989 %
AHP	(5.31)	3.36	6.99	7.54
Kuala Lumpur Composite Index (KLCI)	(4.21)	0.07	2.19	6.69
Property Index (Benchmark)	(7.88)	4.07	3.07	1.24

Annual Total Return for the Last Five Financial Year

Financial Year Ended December 31,	2015	2014	2013	2012	2011
Total Return (%)	(5.31)	6.55	9.45	11.81	13.54
Capital Return (%)	(11.50)	-	2.73	4.76	6.06
Income Return (%)	7.00	6.55	6.55	6.73	7.05
Property Index (Benchmark *)	(7.88)	(0.32)	22.74	3.22	(2.07)

Market Price per Unit for the Year Ended 31 December 2015



COMPUTATION OF RETURN

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

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

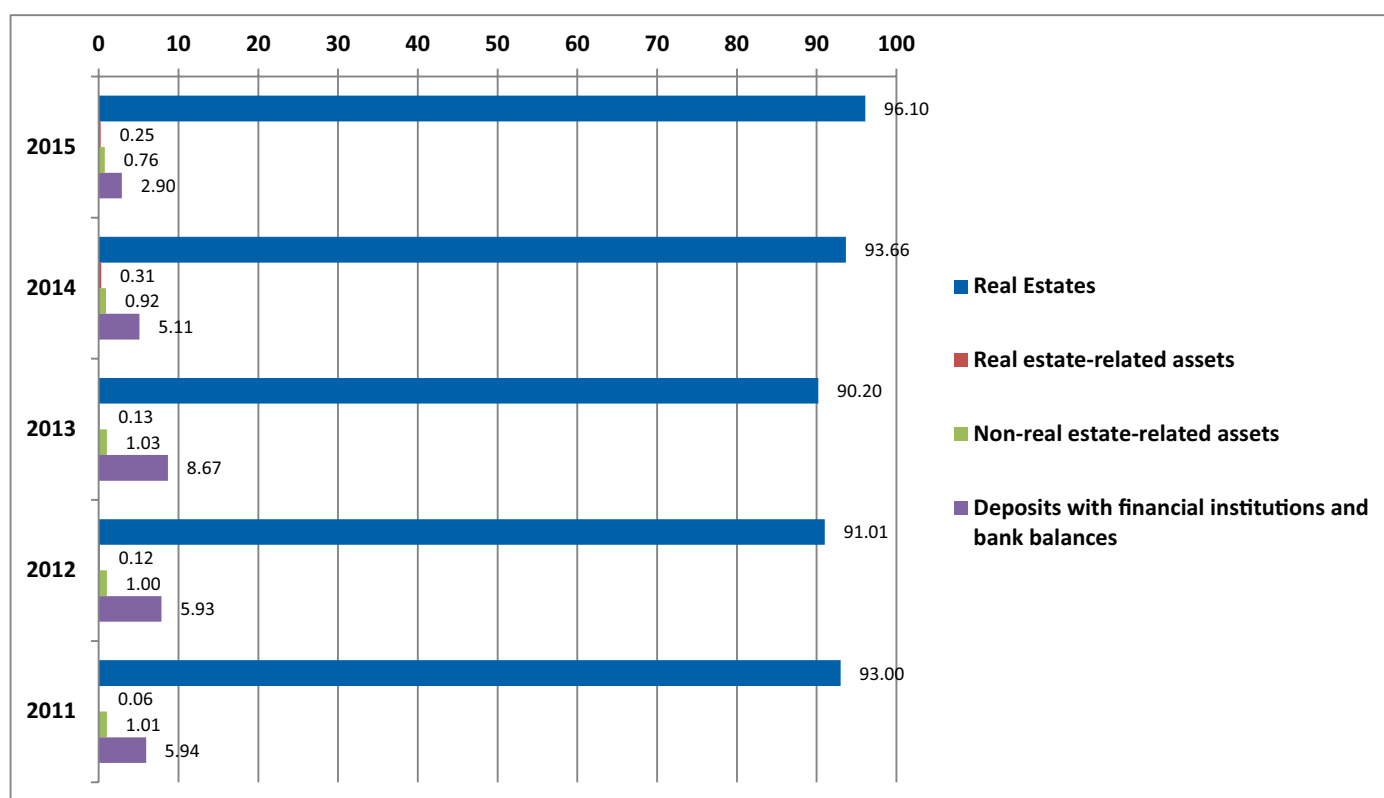
Income return : $\frac{\text{Income Distribution}}{\text{End of Year Market Price}}$

NOTE:

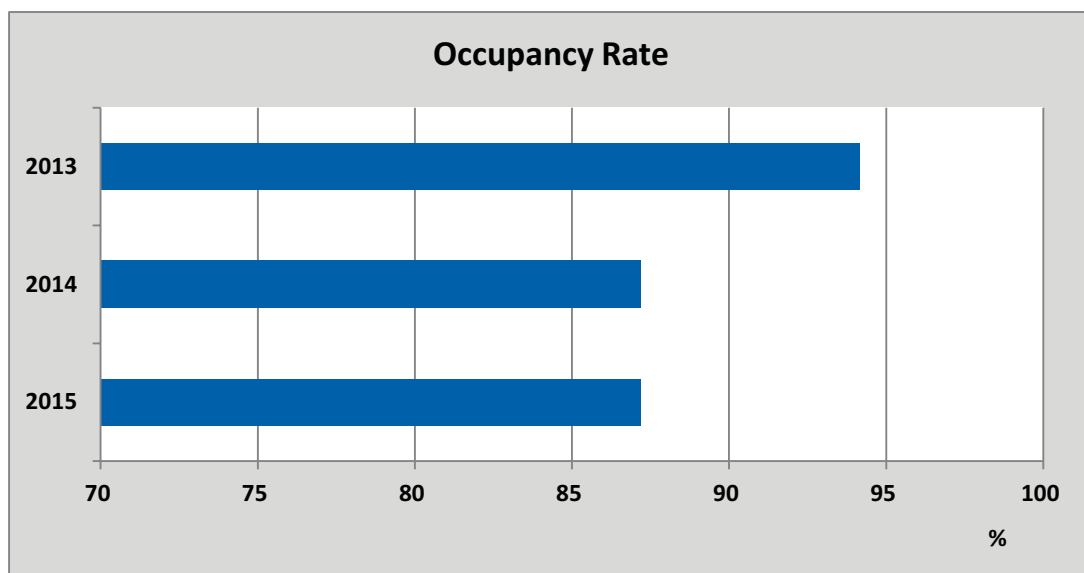
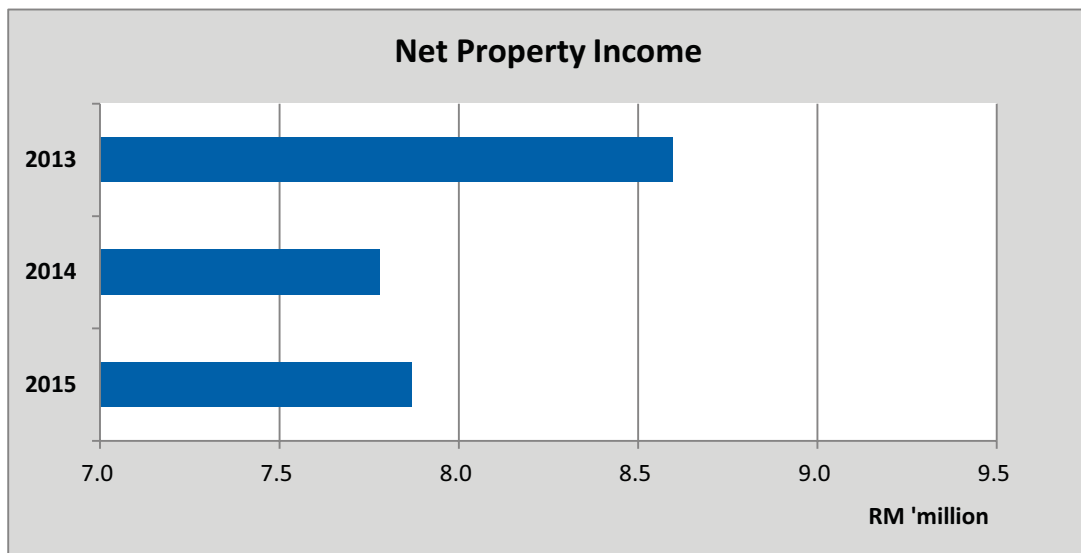
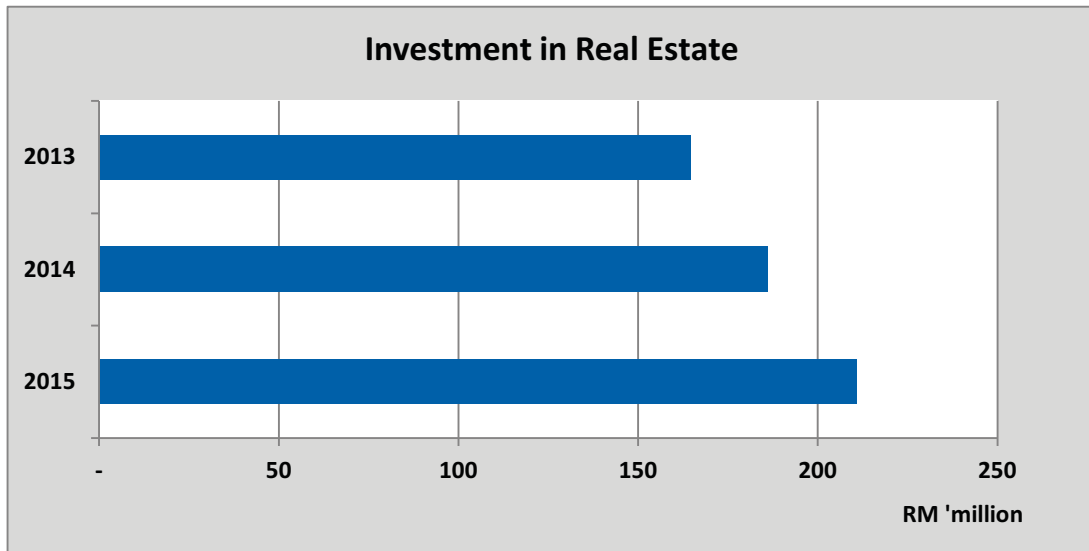
Past performance is not necessarily indicative of future performance. Unit prices and investment returns fluctuate.

COMPOSITION OF INVESTMENT PORTFOLIO

	2015	2014	2013	2012	2011
	%	%	%	%	%
Investment Properties					
- Plaza VADS, Taman Tun Dr Ismail, Kuala Lumpur	65.32	59.67	54.83	56.48	54.81
- Bangunan AHP, Taman Tun Dr Ismail, Kuala Lumpur	21.28	23.50	25.22	23.72	24.75
- Sri Impian, Taman Setiawangsa, Kuala Lumpur	6.06	6.69	6.58	6.21	6.48
- Shopoffice, Taman Tun Dr Ismail, Kuala Lumpur	1.82	2.01	1.64	1.58	1.65
- Shopoffice, Jalan Negara, Taman Melawati, Kuala Lumpur	0.87	0.96	0.66	0.62	0.65
- Shopoffice, Kota Kinabalu, Sabah	0.75	0.83	0.82	0.85	0.88
- Shopoffice, Taman Inderawasih, Butterworth, Penang	-	-	0.44	0.45	0.53
- Shopoffice, Lorong Selangor, Taman Melawati, Kuala Lumpur	-	-	-	-	1.77
- Shopoffice, Off Jalan Rubber, Kuching, Sarawak	-	-	-	0.56	0.59
- Shopoffice, Jalan Permaisuri, Miri, Sarawak	-	-	-	0.54	0.56
- Shopoffice, Jalan Semabok, Melaka	-	-	-	-	0.32
Sub-total	96.10	93.66	90.20	91.01	93.00
Real estate-related assets					
- Real estate investment trust	0.22	0.28	0.09	0.12	0.04
- Property	0.03	0.03	0.01	-	0.02
Sub-total	0.25	0.31	0.10	0.12	0.06
Non-real estate-related assets					
- Consumer products	0.04	0.06	0.07	0.07	0.04
- Finance	0.27	0.31	0.35	0.29	0.27
- Trading	0.38	0.48	0.54	0.52	0.55
- Infrastructure project	-	-	-	0.05	0.05
- Plantations	0.06	0.07	0.08	0.09	0.10
Sub-total	0.75	0.92	1.03	1.00	1.01
Deposits with financial institutions and bank balances	2.90	5.11	8.67	7.86	5.94
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	25 November 2015
Date of Acquisition	21 March 1989	Valuer	W.M Malik & Kamaruzaman
Age of Building	28 years	Occupancy rate	84.62%
Net Lettable Area	190,445 sq.ft.	Major Tenants	VADS Berhad
Cost of Acquisition	RM45.909 million	Average Tenancy Period	3 years
Total Cost including CAPEX	RM111.94 million	Rental Review and Expiry	2016
Net Book Value	RM134.07 million	Average Rental	RM3.56 psf
Latest Valuation	RM113.15 million	Maintenance Cost	RM934,311
Revaluation Surplus	RM9.267 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	25 November 2015
Land Tenure	Freehold	Valuer	W.M Malik & Kamaruzaman
Date of Acquisition	21 March 1989	Occupancy rate	55.60%
Age of Building	27 years	Major Tenants	1. Hwang-DBS Investment Bank Bhd.
Net Lettable Area	96,154 sq.ft.	Average Tenancy Period	3 years
Cost of Acquisition	RM16.323 million	Rental Review and Expiry	1. 2016
Total Cost including CAPEX	RM33.287 million	Average Rental	RM3.35 psf
Net Book Value	RM46.70 million	Maintenance Cost	RM381,218
Latest Valuation	RM46.70 million	No. of Parking Bays	200
Revaluation Surplus/(Deficit)	Nil	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	Date of Valuation	25 November 2015
Land Tenure	Freehold	Valuer	W.M Malik & Kamaruzaman
Date of Acquisition	15 May 1996	Occupancy rate	100%
Age of Building	26 years	Major Tenants	I&P Harta Sdn Bhd
Net Lettable Area	38,290 sq.ft.	Average Tenancy Period	3 years
Cost of Acquisition	RM13.318 million	Rental Review and Expiry	2016
Total Cost including CAPEX	RM13.772 million	Average Rental	RM2.30 psf
Net Book Value	RM13.3 million	Maintenance Cost	RM18,631
Latest Valuation	RM13.3 million	No. of Parking Bays	Nil
Revaluation Surplus/(Deficit)	Nil	Encumbrances	-
Method of Valuation	Comparison and Investment		

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 2015 (RM'000)	Net Book Value (RM'000)	Revaluation Surplus/ (Deficit) (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	18	5,280	16/10/1995	910	910	4,000	4,000	-	63.64	2	2.3 years	1.41	2016	1. Rozel Corporation Sdn Bhd 2. Skylce Sdn Bhd 3. CF Cabinet Warehouse
Ground & First Floor Leasehold Blok G Asia City (99 years Kota Kinabalu, expiring on Sabah 31.12.2082)	Leasehold	19	3,100	12/12/1995	1,653	1,653	1,650	1,650	-	100	5	3 years	4.19	2017	Amanah Saham Nasional Berhad
4-storey Shopoffice Lot 224, Jalan Negara 2, Pusat Bandar Melawati, Kuala Lumpur	Freehold	26	6,705	30/08/1996	783	814	1,900	1,900	-	100	1	2 years	1.16	2016	ARH Junjukur Bahan Sdn. Berhad

Note: The value as at 31 December 2015 was based on valuation dated 25 November 2015 by W.M. Malek using the comparison and investment method of valuation in accordance with the Malaysian Valuation Standards.

ANALYSIS OF UNITHOLDINGS

Unit Holders' Capital as at 31 December 2015

Authorised = 1,000,000,000 units
 Issued and fully paid = 100,000,000 units

Distribution of Unit Holders as at 31 December 2015

Unit Class	No. of Unitholders	Percentage of Unitholders	No. of Unitholdings	Percentage of Unitholdings
Less than 100	30	0.46	688	0.00
100 - 1,000	2,658	41.15	2,226,813	2.23
1,001 - 10,000	2,993	46.34	11,996,934	12.00
10,001 - 100,000	705	10.92	21,428,765	21.43
100,001 to less than 5% of issued units	71	1.10	18,274,800	18.27
5% and above of issued units	2	0.03	46,072,000	46.07
Total	6,459	100.00	100,000,000	100.00

Classification of Unit Holders as at 31 December 2015

Category of Unitholders	Number of Unitholders			Number of Unitholdings			Percentage		
	Malaysian		Foreign	Malaysian		Foreign	Malaysian		Foreign
	Bumi	Non-Bumi		Bumi	Non-Bumi		Bumi	Non-Bumi	
Individuals	2,264	3,616	54	8,427,871	29,070,141	2,300,610	8.43	29.07	2.30
Body Corporate									
a. Banks/Finance Companies	6	-	-	46,135,000	-	-	46.14	-	-
b. Investment Trusts/Foundations	1	3	-	1,000	362,000	-	0.00	0.36	-
c. Other Types of Companies	12	28	-	427,500	2,409,100	-	0.43	2.41	-
Government Agencies/Institutions	2	-	-	24,000	-	-	0.02	-	-
Nominees	259	150	64	2,910,865	3,403,413	4,528,500	2.91	3.40	4.53
Total	2,544	3,797	118	57,926,236	35,244,654	6,829,110	57.93	35.24	6.83
		6,459			100,000,000			100.00	

ANALYSIS OF UNITHOLDINGS

30 Largest Unit Holders as at 31 December 2015

No	Unitholders	Units Held	Percentage of Units in Issue
1.	AmanahRaya Trustees Berhad (Skim Amanah Saham Bumiputera) *	41,008,500	41.01
2.	Permodalan Nasional Berhad **	5,063,500	5.06
3.	Jang Wan @ Yang Chi Chek	1,020,000	1.02
4.	Tan Teck Peng	1,010,000	1.01
5.	Affin Hwang Nominees (Tempatan) Sdn Bhd (DBS Vickers Secs (S) Pte. Ltd. For Abd Khalid bin Ibrahim)	880,300	0.88
6.	Popular Industries Sdn. Berhad	700,000	0.70
7.	Liew Yoon Yee	600,000	0.60
8.	Gan Tuan Boon	500,000	0.50
9.	Chong Kon Ling	466,500	0.47
10.	Cimsec Nominees (Asing) Sdn Bhd Exempt AN For CIMB Securities (Singapore) Pte Ltd	451,900	0.45
11.	Public Invest Nominees (Asing) Sdn Bhd (Exempt AN for Phillip Securities Pte. Ltd)	448,100	0.45
12.	Citigroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tey Rose)	410,000	0.41
13.	Ng Heng Heem	406,200	0.41
14.	BOH Plantations Sdn. Bhd	385,000	0.39
15.	BOH Plantations Sdn. Berhad	378,500	0.38
16.	Liew Kon Mun	313,000	0.31
17.	TA Nominees (Tempatan) Sdn. Berhad (Pledged Securities Account for Chor Sek Choon)	310,000	0.31
18.	RAM Holdings Berhad	286,900	0.29
19.	Maybank Nominees (Tempatan) Sdn Bhd (A/C for Ng Hong Tee)	286,300	0.29
20.	Mak Chew Tatt	267,300	0.27
21.	Toh Han Ein	265,000	0.27
22.	Yik Poh Chan @ Yek Poh Chan	263,100	0.26
23.	Toh Hock Chooi	263,000	0.26
24.	HSBC Nominees (Asing) Sdn Bhd (Exempt an for Pictet & CIE)	260,000	0.26
25.	Lee Chin Yik	258,000	0.26
26.	J A Russel & Co Sdn Berhad	255,200	0.26
27.	HLB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Liew Sun Yick)	250,000	0.25
28.	Affin Hwang Nominees (Tempatan) Sdn Bhd (DBS Vickers Secs (S) Pte. Ltd. For Winston Jong Khi Min)	249,800	0.25
29.	Premjit Singh a/I Onkar Singh	240,000	0.24
30.	Abdul Rahim bin Bidin	227,700	0.23
Total		57,723,800	57.72

Note:

* Substantial unit holder

** 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 2015

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 2015.

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 2015 is 1% (2014: 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 RM1,525,999 (2014: RM1,560,684) 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 ON AMANAH HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTD.)

INVESTMENTS OF THE TRUST

Total investments of the Trust, including cash and bank balances as at 31 December 2015 was RM219,458,144 (2014: RM198,718,287). Details of the investment portfolio of the Trust are as follows:

	2015		2014	
	RM	%	RM	%
At fair value:				
Real estate				
- Completed commercial and office buildings	180,700,000	82.34	169,950,000	85.52
Real estate related-assets				
- Quoted shares by sector				
- Property	70,687	0.03	67,800	0.03
- Real Estate Investment Trust	478,351	0.22	547,943	0.28
Non-real estate related-assets				
- Quoted shares by sector				
- Consumer products	86,570	0.04	111,715	0.06
- Finance	590,092	0.27	611,300	0.31
- Plantation	133,800	0.06	144,000	0.07
- Trading	852,953	0.38	961,006	0.48
At amortised cost:				
Deposits with financial institutions, cash and bank balances	6,355,446	2.90	10,157,267	5.11
At cost:				
Real estate under construction	30,190,245	13.76	16,167,256	8.14
	<u>219,458,144</u>	<u>100.00</u>	<u>198,718,287</u>	<u>100.00</u>

Details of the investments are as disclosed in Note 13 to 16 to the financial statements.

PERFORMANCE OF THE TRUST

	2015	2014
Total net asset value (RM)	<u>159,546,569</u>	<u>154,441,162</u>
Units in circulation (units)	<u>100,000,000</u>	<u>100,000,000</u>
Net asset value per unit attributable to unit holders (sen)	<u>159.55</u>	<u>154.44</u>
Market price per unit (sen)	<u>100.00</u>	<u>113.00</u>
Highest traded price (sen)	<u>121.00</u>	<u>123.00</u>
Lowest traded price (sen)	<u>93.00</u>	<u>109.00</u>

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

MANAGER'S REPORT ON AMANAH HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTD.)

RESULTS OF THE OPERATIONS OF THE TRUST

The results of the operations of the Trust for the year are as follows:

	RM
Net income before taxation	12,768,734
Taxation	<u>(463,327)</u>
Net income after taxation	<u>12,305,407</u>

During the financial year, the Trust's net income before taxation increased by RM6,930,873 or 118.72% from RM5,837,861 to RM12,768,734. The increase in net income before taxation is mainly attributed to the unrealised gain on revaluation of real estates of RM9,266,540 (2014: RM552,179).

In terms of net rental income, the Trust has recorded an increase of RM88,818 or 1.14% from RM7,788,866 in previous year. The Trust's total expenditure increased by RM1,523,605 or 51.27% from RM2,971,954 in the last financial year, mainly due to increase in financing cost as a result of additional drawdown made during the year for the upgrading and refurbishment of Plaza VADS.

REVIEW OF THE PROPERTY MARKET

For Purpose Built Office ("PBO") segment, approximately 226,172 sq. m of new office space entered the market in the 1H of 2015, reflecting an increase of 1.2% from the 2H of 2014. It was reported that 209,123 sq. m new supply of retail space was injected into the market in the 1H of 2015, recording a marginal 1.6% increase from the 2H of 2014.

On the demand side, the occupancy rate for privately-owned PBO in 1H of 2015 stood at 79.2%, easing slightly from 2H of 2014 of 80.2%. However, the opposite was recorded for the occupancy rate of the shopping complex segment. From the 81.3% occupancy rate recorded nationwide in 2H of 2014, the shopping complex occupancy had edged up slightly to 81.6% in 1H of 2015.

As at 1H of 2015, Kuala Lumpur accounted for 53.1% of the total privately-owned PBO space nationwide. The share of Kuala Lumpur's privately-owned PBO against the total national privately-owned PBO had increased modestly from 52.9% recorded in 2H of 2014. This would indicate a rising concentration of commercial activities in the capital.

The latest available statistics from the National Property Information Centre ("NAPIC") show that the average rental of PBO in Kuala Lumpur City Centre/Golden Triangle extending to areas such as Jalan Ampang, Jalan Tun Razak, and Jalan Pinang during 1H of 2015, had risen by 2.5% to RM61.68 per sq. m/month; representing an additional RM5.73 per sq. m/month; from RM60.17 per sq. m/month (RM5.59 per sq. f/month) recorded in 2H of 2014. On the same note, the rental of PBO Within City Centre ("WCC") which covers areas such as Jalan Bangsar, Wangsa Maju and Mid Valley for the same period increased by 0.8% to RM49.73 per sq. m/month (RM4.67 per sq. f/month). Notwithstanding the rising rental trend, the average PBO rental in suburban areas including Sri Petaling, Damansara and Cheras, dropped marginally to RM44.45 per sq. m/month (RM4.13 per sq. f/month) in 1H of 2015 from RM44.56 per sq. m (RM4.14 per sq. f/month) in 2H of 2014. Hence, reflecting a mixed picture for the rental market.

PROSPECTS

According to NAPIC, the commercial property subsector is forecasted to expand by 11.3% over the next three years or 3.7% annually. Meanwhile, the PBO subsector is expected to receive another 1.55 million sq. m or 10.6% of stock within the next three years (annualised 3.6%). A large number of incoming supply of PBO is expected to be in Kuala Lumpur and Selangor. They are estimated to contribute to another 0.52 million sq. m (33.5%) and 0.61 million sq. m (39.4%), respectively, to the national incoming supply.

Likewise, the retail and industrial subsectors are estimated to expand by 11.9% (annualised 3.9%) and 11.4% (annualised 3.8%) respectively within the next three years. It is estimated that 1.57 million sq. m of incoming supply of retail space and 11,257 units of industrial units would be added within the next three years which will continue to buoy the overall commercial property supply going forward.

MANAGER'S REPORT ON AMANAH HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTD.)

PROSPECTS (CONTD.)

In 2016, the property market is expected to remain challenging as in 2014 and 2015, especially in the office and retail subsectors. The incoming supply of commercial and office stocks is set to flood the present oversupplied commercial market. This will create additional pressure for developers and commercial property speculators to match the low growth in demand due to tightened financing requirements and increased in consumption tax.

RESERVES AND PROVISIONS

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

DISTRIBUTION OF INCOME

The distributions paid and proposed by the Trust since 31 December 2014:

In respect of the financial year ended 31 December 2014:

	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 2015	3.70	3.70	3,700,000	3,700,000

In respect of financial year ended 31 December 2015:

	Per Unit		Total	
	Gross Sen	Net of tax Sen	Gross RM	Net of tax RM
Interim income distribution of 3.50 sen per unit paid on 29 August 2015	3.50	3.50	3,500,000	3,500,000

For the financial year ended 31 December 2015, final income distribution of 3.50 sen a unit (tax exempt at the Trust level), amounting to RM3,500,000 to be paid on 29 February 2016, was declared by the Manager and approved by the Trustee on 2 February 2016. The current year financial statements 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 2016. 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 2015:

	Before distribution sen	After distribution sen
Net asset value per unit attributable to unit holders	159.55	156.05

MANAGER'S REPORT ON AMANAH HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTD.)

BREAKDOWN OF UNITHOLDINGS

Unit Class	Number of Unit holders	Percentage of Unit holders (%)	Number of Unitholdings	Percentage of Unitholdings (%)
5,000 and below	5,104	79.02	9,361,335	9.36
5,001 to 10,000	577	8.93	4,863,100	4.86
10,001 to 50,000	613	9.49	14,546,700	14.55
50,001 to 500,000	158	2.45	20,946,565	20.95
500,001 and above	7	0.11	50,282,300	50.28
	<u>6,459</u>	<u>100.00</u>	<u>100,000,000</u>	<u>100.00</u>

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
Tan Sri Dato' Seri (Dr) Abd. Wahab bin Maskan
Dato' Seri Mohd. Hussaini bin Haji Abdul Jamil
Dato' Idris bin Kechot
Encik Hafidz Atrash Kosai bin Mohd Zihim

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 2015 and have interests in the Trust during the financial year are as follows:

	1.01.2015	Number of Units		31.12.2015
		Bought	Sold	
Dato' Seri Mohd. Hussaini bin Haji Abdul Jamil	<u>12,000</u>	-	-	<u>12,000</u>

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.

MANAGER'S REPORT ON AMANAH HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTD.)

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:
- (i) 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
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Manager is not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and
 - (ii) 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:
- (i) 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
 - (ii) 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:
- (i) 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
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the 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.

SIGNIFICANT EVENT

Details of significant event are disclosed in Note 37 to the financial statements.

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 2 February 2016.

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 35 to 63 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 AMANAH HARTA TANAH PNB as at 31 December 2015 and of its financial performance and cash flows for the year then ended.

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 2 February 2016.

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 AMANAH HARTA TANAH PNB, do solemnly and sincerely declare that the accompanying financial statements set out on pages 35 to 63 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 2 February 2016

DATO' MOHD NIZAM BIN ZAINORDIN

Before me,

Commissioner of Oath,
Kuala Lumpur, Malaysia

STATEMENT BY TRUSTEE

To the Unit holders of
AMANAH HARTA TANAH PNB

We, AmanahRaya Trustees Berhad, have acted as Trustee of AMANAH HARTA TANAH PNB for the financial year ended 31 December 2015. 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
AMANAHRAYA TRUSTEES BERHAD

HABSAH BINTI BAKAR
Chief Executive Officer

Kuala Lumpur, Malaysia
2 February 2016

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 2015, 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 35 to 63.

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 and International Financial Reporting Standards. 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 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 2015 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, in accordance with the Securities Commission's Guidelines on Real Estate Investment Trusts in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Hanafiah Raslan & Mohamad
AF: 0002
Chartered Accountants

Kuala Lumpur, Malaysia
2 February 2016

Muhammad Syarizal bin Abdul Rahim
No. 3157/O1/17 (J)
Chartered Accountant

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 RM	2014 RM
INCOME			
Gross rental income	5	13,298,702	13,437,379
Less: Real estate operating expenditure	6	(5,424,477)	(5,654,680)
Depreciation		(2,541)	(3,833)
Net rental income		7,871,684	7,778,866
Interest income from deposits with financial institutions		275,350	366,246
Gross dividends from investments in:			
- Real estate-related assets		23,785	25,622
- Non-real estate-related assets		82,859	90,635
Unrealised gain on revaluation of real estates	13	9,266,540	552,179
Net (loss)/gain from financial assets at fair value through profit and loss ("FVTPL"):			
- Real estate-related assets	14	(44,137)	69,833
- Non-real estate-related assets	15	(207,788)	(80,340)
Miscellaneous income		-	6,774
		<u>17,268,293</u>	<u>8,809,815</u>
EXPENSES			
Management fee	7	(1,525,999)	(1,560,684)
Trustee's fee	8	(130,000)	(130,000)
Auditors' remuneration		(13,500)	(13,500)
Tax agent's fee		(4,600)	(4,350)
Valuation fee		(5,000)	(70,120)
Printing, postage and general expenses		(618,485)	(161,744)
Financing costs	9	(2,201,975)	(1,031,556)
		<u>(4,499,559)</u>	<u>(2,971,954)</u>
NET INCOME BEFORE TAXATION		12,768,734	5,837,861
TAXATION	10	(463,327)	(1,950,689)
NET INCOME AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>12,305,407</u>	<u>3,887,172</u>
NET INCOME AFTER TAXATION IS MADE UP OF THE FOLLOWING:			
Realised		3,786,380	5,298,289
Unrealised		8,519,027	(1,411,117)
		<u>12,305,407</u>	<u>3,887,172</u>
EARNINGS PER UNIT (sen)	11	<u>12.31</u>	<u>3.89</u>
EARNINGS PER UNIT (BEFORE MANAGEMENT FEE) (sen)			
- Gross of tax		<u>14.29</u>	<u>7.40</u>
- Net of tax		<u>13.83</u>	<u>5.45</u>
NET INCOME DISTRIBUTION			
Interim income distribution of 3.50 sen per unit paid on 29 August 2015 (2014: 3.70 sen per unit paid on 30 August 2014)	12	<u>3,500,000</u>	<u>3,700,000</u>
Final income distribution of 3.50 sen per unit payable on 29 February 2016 (2014: 3.70 sen per unit paid on 28 February 2015)		<u>3,500,000*</u>	<u>3,700,000</u>
FINAL INCOME DISTRIBUTION PER UNIT (sen)	12	<u>3.50*</u>	<u>3.70</u>
- Gross of tax		<u>3.50*</u>	<u>3.70</u>
- Net of tax			
INTERIM INCOME DISTRIBUTION PER UNIT (sen)	12	<u>3.50</u>	<u>3.70</u>
- Gross of tax		<u>3.50</u>	<u>3.70</u>
- Net of tax			

* Proposed final income distribution for the year ended 31 December 2015. The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	2015 RM	2014 RM
INVESTMENTS			
Real estate	13	210,890,245	186,117,256
Real estate-related assets	14	549,038	615,743
Non-real estate-related assets	15	1,663,415	1,828,021
Deposits with financial institutions	16	6,290,698	10,132,260
TOTAL INVESTMENTS		<u>219,393,396</u>	<u>198,693,280</u>
OTHER ASSETS			
Equipment, furniture and fittings	17	15,888	18,429
Tax recoverable	18	600,998	600,998
Trade receivables	19	862,046	646,635
Other receivables	20	5,916,783	189,065
Cash and bank balances		64,748	25,007
TOTAL OTHER ASSETS		<u>7,460,463</u>	<u>1,480,134</u>
TOTAL ASSETS		<u>226,853,859</u>	<u>200,173,414</u>
LIABILITIES			
Financing	21	59,893,741	38,465,824
Rental deposits	22	4,576,200	4,453,275
Other payables	23	279,764	731,295
Amount due to Manager	24	143,569	131,169
Deferred tax liability	25	2,414,016	1,950,689
TOTAL LIABILITIES		<u>67,307,290</u>	<u>45,732,252</u>
FINANCED BY:			
UNIT HOLDERS' FUNDS			
Unit holders' capital	26	100,000,000	100,000,000
Retained earnings		59,546,569	54,441,162
TOTAL NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS		<u>159,546,569</u>	<u>154,441,162</u>
TOTAL UNIT HOLDERS' FUNDS AND LIABILITIES		<u>226,853,859</u>	<u>200,173,414</u>
NUMBER OF UNITS IN CIRCULATION		<u>100,000,000</u>	<u>100,000,000</u>
NET ASSET VALUE ("NAV")		<u>159,546,569</u>	<u>154,441,162</u>
NAV (EX-DISTRIBUTION) PER UNIT		<u>1.5955</u>	<u>1.5444</u>

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Unit holders' Capital RM	← Retained Earnings →		Total NAV Attributable to Unit Holders RM
			Distributable Realised Income RM	Distributable Unrealised Income RM	
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	12	-	5,298,289	(1,411,117)	3,887,172
Income distribution:					
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>
At 1 January 2015		100,000,000	17,001,591	37,439,571	154,441,162
Total comprehensive income for the year	12	-	3,786,380	8,519,027	12,305,407
Income distribution:					
Final distribution					
- 31 December 2014		-	(3,700,000)	-	(3,700,000)
Interim distribution					
- 31 December 2015		-	(3,500,000)	-	(3,500,000)
At 31 December 2015		<u>100,000,000</u>	<u>13,587,971</u>	<u>45,958,598</u>	<u>159,546,569</u>

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 RM	2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before taxation	12,768,734	5,837,861
Adjustments for:		
Depreciation	2,541	3,833
Unrealised gain on revaluation of real estate	(9,266,540)	(552,179)
Net (gain)/loss from financial assets at fair value through profit and loss ("FVTPL"):		
- Real estate-related assets	44,137	(69,833)
- Non-real estate-related assets	207,788	80,340
Interest income from deposit with financial institutions	(275,350)	(366,246)
Gross dividends from investments in:		
- Real estate-related assets	(23,785)	(25,622)
- Non-real estate-related assets	(82,859)	(90,635)
Financing costs	2,201,975	1,031,556
Operating profit before working capital changes	5,576,641	5,849,075
Decrease in tax recoverable	-	67,256
Increase in receivables	(6,369,154)	(100,863)
Decrease in other payables	(439,131)	(57,936)
Increase in rental deposits	122,925	127,639
Increase/(decrease) in amount due to the Manager	12,400	(3,355)
Net cash (used in)/generated from operating activities	(1,096,319)	5,881,816
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in completed real estate	(1,483,460)	(5,697,821)
Investments in real estate under construction	(14,022,989)	(16,167,256)
Proceeds from disposal of:		
- Real estate	-	800,000
- Real estate-related assets	75,623	36,000
- Non-real estate-related assets	82,833	-
Purchase of real and non-real estate related-assets	(178,996)	(625,790)
Interest received	272,100	379,429
Dividends received from investments in:		
- Real estate-related assets	23,785	25,622
- Non-real estate-related assets	85,872	85,872
Net cash used in investing activities	(15,145,232)	(21,163,944)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown from financing	21,427,917	17,698,748
Financing costs paid	(2,477,531)	(869,417)
Payment of income distributions	(7,200,000)	(7,400,000)
Net cash generated from financing activities	11,750,386	9,429,331
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,491,165)	(5,852,797)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	9,959,399	15,812,196
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5,468,234	9,959,399
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	64,748	25,007
Deposits with financial institutions (Note 16)	6,290,698	10,132,260
	6,355,446	10,157,267
Deposits with financial institutions with maturity of more than 3 months	(887,212)	(197,868)
Cash and cash equivalents	5,468,234	9,959,399

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

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" or "the Manager"), 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 2 February 2016.

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.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)

3. BASIS OF PREPARATION (CONTD.)

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

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.

(b) Changes in accounting policies

The new and revised MFRSs which are mandatory for companies with financial period beginning on or after 1 January 2015 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 periods beginning on or after 1 January 2018

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2015)

On 24 July 2015, 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 2015 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

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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.

(a) Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at amortised cost or fair value, depending on the classification of the assets.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(a) Financial Assets (Contd.)

(i) Classification of financial assets

Unless designated as at FVTPL on initial recognition, debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss:

- The assets is held within a business model whose objectives is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments are classified as either FVTPL or FVTOCI, depending on the investment objectives.

(ii) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost.

(iii) Financial assets at fair value through profit or loss ("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 that do not meet the amortised cost criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria but are designated as at FVTPL are measured at FVTPL. A debt instrument may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

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.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurements recognised in profit or loss.

Interest income on debt instruments at FVTPL is disclosed separately in profit or loss.

Dividend income on investments in equity instruments at FVTPL is recognised in profit or loss when the Trust's right to receive the dividends is established in accordance with MFRS 118: Revenue is disclosed separately in profit or loss.

(iv) Financial assets at fair value through other comprehensive income ("FVTOCI")

On initial recognition, the Trust can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(a) Financial Assets (Contd.)

(iv) Financial assets at fair value through other comprehensive income ("FVTOCI") (CONTD.)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of the portfolio of identified financial instruments that the Trust manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the other comprehensive income reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments.

(v) Impairment of financial assets

Financial assets that are measured at amortised cost are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been affected.

Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract, such as default or delinquency in interest or principal payments; or
- It becomes probable that the borrower will enter bankruptcy or financial reorganisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows reflecting the amount of collateral and guarantee, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is directly reduced by the impairment loss 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 is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in profit or loss.

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 through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(vi) Derecognition of financial assets

The Trust derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Trust neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Trust recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Trust retains substantially all the risks and rewards of ownership of a transferred financial asset, the Trust continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(a) Financial Assets (Contd.)

(vi) Derecognition of financial assets (Contd.)

On derecognition of financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of financial asset classified as FVTOCI, the cumulative gain or loss previously accumulated in other comprehensive income reserve is not reclassified to profit or loss, but is reclassified to distributable realised reserve.

On derecognition of financial asset classified as FVTPL, the cumulative unrealised gain or loss previously recognised is transferred to realised gain or loss on disposal in profit or loss.

(b) 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

Financial liabilities within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Trust becomes a party to the contractual provisions of the financial instruments.

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.

(c) 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 an accrual basis.

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

Equipment, furniture and fittings and computer equipment 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(k). Depreciation of equipment, furniture and fittings and computer equipment 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%

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

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) 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.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(j) Taxation (Contd.)

(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.

(k) 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.

(l) 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)**5. GROSS RENTAL INCOME**

	2015 RM	2014 RM
Rental income	13,119,515	13,205,744
Other real estate income	179,187	231,635
	<u>13,298,702</u>	<u>13,437,379</u>

Included in the rental income is rental received from a company related to the Manager amounting to RM156,000 (2014: RM156,000). The details are disclosed in Note 28.

6. REAL ESTATE OPERATING EXPENDITURE

Included in the amounts are the following:

	2015 RM	2014 RM
Maintenance, repairs and improvements expenses	1,238,931	1,293,304
Assessment	912,510	918,730
Quit rent	55,297	55,297
Utilities	2,185,191	2,339,032
Others	899,745	926,484
Property Manager's fee*	136,803	121,833
	<u>5,428,477</u>	<u>5,654,680</u>

* The Property Manager, I.M Global Property Consultants Sdn Bhd ("IMG") (2014: 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 2015 is 1% (2014: 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 2015 is RM130,000 (2014: RM130,000).

9. FINANCING COSTS

	2015 RM	2014 RM
Profit payable on Islamic Revolving Credit Facility	<u>2,201,975</u>	<u>1,031,556</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)**10. TAXATION**

	2015 RM	2014 RM
Income tax:		
Tax charge for the year	-	-
Deferred tax (Note 25):		
Relating to origination and reversal of temporary differences	463,327	27,609
Effect of change in tax rate	-	1,923,080
	<u>463,327</u>	<u>1,950,689</u>
	<u>463,327</u>	<u>1,950,689</u>

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

As the Trust distributes at least 90% of its total income, the Trust is fully exempt from taxation.

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

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:

	2015 RM	2014 RM
Net income before taxation	12,768,734	5,837,861
Taxation at Malaysia statutory tax rate of 25% (2014: 25%)	3,192,184	1,459,465
Effect of income not subject to tax	(2,349,152)	(119,692)
Expenses not deductible for tax purposes	91,827	69,273
Effect of income exempted from tax	(932,294)	(1,268,096)
Utilisation of current year capital allowances	(2,565)	(2,905)
Effect of deferred tax recognised at RPGT rate	463,327	(110,436)
Effect of change in tax rate	-	1,923,080
Tax expense for the year	<u>463,327</u>	<u>1,950,689</u>

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 RM12,305,407 (2014: RM3,887,172) by the number of units in circulation as at the statement of financial position date of 100,000,000 (2014: 100,000,000).

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)

12. INCOME DISTRIBUTION

	Gross RM	Net RM	Gross RM	Net RM
Interim income				
distribution of 3.50 sen per unit paid on 29 August 2015 (2014: 3.70 sen per unit paid on 30 August 2014)	3,500,000	3,500,000	3,700,000	3,700,000
Final income				
distribution of 3.50 sen per unit payable on 29 February 2016 (2014: 3.70 sen per unit paid on 28 February 2015)	3,500,000*	3,500,000*	3,700,000	3,700,000
Total distribution for the year	7,000,000	7,000,000	7,400,000	7,400,000
Distribution per unit (sen)	7.00	7.00	7.40	7.40

* For the financial year ended 31 December 2015, final income distribution of 3.50 sen per unit (tax exempt at Trust level), amounting to RM3,500,000 to be paid on 29 February 2016, was declared by the Manager and approved by the Trustee on 2 February 2016. 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 2016.

Sources of Distribution

Distribution to unit holders is from the following sources:

	2015 RM	2014 RM
Net rental income	7,871,684	7,778,866
Gross dividends from investments in:		
- Real estate-related assets	23,785	25,622
- Non-real estate-related assets	82,859	90,635
Interest income from deposits with financial institutions	275,350	366,246
Gain on disposal of real estate/ non-real estate related asset	12,311	2,100
Other income	19,950	6,774
Previous years' realised income	3,213,620	2,101,711
	11,499,559	10,371,954
Less: Expenses	(4,499,559)	(2,971,954)
Total distribution	7,000,000	7,400,000

13. REAL ESTATE

	Completed real estate at fair value RM	Real estate under construction at cost RM	Total RM
At 31 December 2015			
At 1 January 2015	169,950,000	16,167,256	186,117,256
Addition	1,483,460	14,022,989	15,506,449
Fair value adjustment	9,266,540	-	9,266,540
At 31 December 2015	180,700,000	30,190,245	210,890,245
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	169,950,000	16,167,256	186,117,256

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)**13. REAL ESTATE (CONTD.)**

Included in the above are real estates held under lease terms:

	2015 RM	2014 RM
Leasehold land and buildings (at fair value)	<u>1,650,000</u>	<u>1,650,000</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	81,750,877	113,150,000
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
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	<u>814,016</u>	<u>1,900,000</u>
			<u>132,419,677</u>	<u>180,700,000</u>

* Fair values as at 31 December 2015 is determined based on valuation dated 25 November 2015 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 33 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 Podium Block of Plaza VADS.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)

14. REAL ESTATE-RELATED ASSETS

	2015 RM	2014 RM
Quoted shares, at FVTPL	549,038	615,743
Net (loss)/ gain on real estate-related assets at FVTPL during the year comprised:		
Realised gain on disposals	12,311	2,100
Unrealised changes in fair values	(56,448)	67,733
	<u>(44,137)</u>	<u>69,833</u>

Quoted Shares	Units	Cost RM	Fair Value RM	Fair Value Over Net Asset Value %
- Real Estate Investment				
Trusts	299,604	423,522	478,351	0.31
- Property	48,750	86,092	70,687	0.05
	<u>348,354</u>	<u>509,614</u>	<u>549,038</u>	<u>0.36</u>

15. NON-REAL ESTATE-RELATED ASSETS

	2015 RM	2014 RM
Quoted shares, at FVTPL	1,663,415	1,828,021
Net (loss)/ gain on real estate-related assets at FVTPL during the year comprised:		
Realised gain on disposals	19,950	-
Unrealised changes in fair values	(227,738)	(80,340)
	<u>(207,788)</u>	<u>(80,340)</u>

Quoted Shares	Units	Cost RM	Fair Value RM	Fair Value Over Net Asset Value %
- Consumer products	11,000	71,475	86,570	0.06
- Finance	70,249	571,325	590,092	0.38
- Plantation	30,000	138,881	133,800	0.09
- Trading	109,994	856,739	852,953	0.55
	<u>221,243</u>	<u>1,638,420</u>	<u>1,663,415</u>	<u>1.08</u>

16. DEPOSITS WITH FINANCIAL INSTITUTIONS

	2015 RM	2014 RM
Fixed deposits	877,131	169,596
Short term deposits	2,923,090	4,350,730
Islamic instruments	2,490,477	5,611,934
	<u>6,290,698</u>	<u>10,132,260</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)**16. DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTD.)**

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:

	2015		2014	
	WAEIPR (% p.a.)	Average Maturity (Days)	WAEIPR (% p.a.)	Average Maturity (Days)
Licensed banks	4.48	28	4.10	38

Included within deposits with financial institutions are balances with maturity of less than 90 days amounting to RM5,403,486 (2014: RM9,934,392).

17. EQUIPMENT, FURNITURE AND FITTINGS

	Equipment RM	Furniture and Fittings RM	Computer Equipment RM	Total RM
Cost				
At 1 January 2014	70,163	54,745	24,301	149,209
Additions	-	-	-	-
At 31 December 2014/ 31 December 2015	70,163	54,745	24,301	149,209
Accumulated Depreciation				
At 1 January 2014	49,762	54,187	22,998	126,947
Charge for the year	2,342	198	1,293	3,833
At 31 December 2014	52,104	54,385	24,291	130,780
Charge for the year	2,343	198	-	2,541
At 31 December 2015	54,447	54,583	24,291	133,321
Net Book Value				
At 31 December 2015	15,716	162	10	15,888
At 31 December 2014	18,059	360	10	18,429
Depreciation charge for 2015	2,343	198	-	2,541
Depreciation charge for 2014	2,342	198	1,293	3,833

*Included in equipment, furniture and fittings of the Trust are cost of fully depreciated assets which are still in use amounting to RM124,793 (2014 : RM124,793)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)**19. TRADE RECEIVABLES**

	2015 RM	2014 RM
Trade receivables	1,034,466	819,055
Less: Allowance for impairment	(172,420)	(172,420)
Trade receivables, net	<u>862,046</u>	<u>646,635</u>

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:

	2015 RM	2014 RM
Neither past due nor impaired	290,329	236,153
31 to 60 days past due not impaired	178,002	128,191
61 to 90 days past due not impaired	46,809	67,137
91 to 120 days past due not impaired	45,316	33,471
More than 121 days past due not impaired	301,590	181,683
	<u>862,046</u>	<u>646,635</u>
Impaired	172,420	172,420
	<u>1,034,466</u>	<u>819,055</u>

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

	2015 RM	2014 RM
Trade receivables	172,420	172,420
Less: Allowance for impairment	(172,420)	(172,420)
	<u>-</u>	<u>-</u>

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

	2015 RM	2014 RM
At 1 January/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 RM571,717 (2014: RM410,482) 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)**20. OTHER RECEIVABLES**

	2015 RM	2014 RM
Dividends	13,403	15,563
Interest	16,403	13,153
Deposits	415,783	85,511
Prepayments	5,471,194	74,838
	<u>5,916,783</u>	<u>189,065</u>

Included in prepayment is a deposit amount of RM4.8 million (2014: RM nil) for the acquisition of Mydin Seremban 2 representing 2% of the total purchase price of RM240 million.

21. FINANCING

Financing relates to Islamic revolving credit facility ("RC") mainly to finance the upgrading and refurbishment of Plaza VADS and construction of new Podium Block of Plaza VADS. The RC are secured by a first party legal charge over Plaza VADS. The facility is subject to yearly or any periodical review at the discretion of the bank and is callable on demand.

The financing bears profit rate of 4.18% to 4.51% (2014: 3.95% to 4.48%) per annum.

As at 31 December 2015, the Trust has made eleven drawdowns amounting to RM59,893,741 (2014: RM38,465,824). Details of the remaining contractual maturity of the financing are disclosed in Note 34(h):

22. RENTAL DEPOSITS

	2015 RM	2014 RM
Payable within 12 months	1,278,278	1,380,615
Payable after 12 months	3,297,922	3,072,660
	<u>4,576,200</u>	<u>4,453,275</u>

Included in the rental deposit is an amount of RM65,400 (2014: RM65,400) received from companies related to the Manager as disclosed in Note 28.

23. OTHER PAYABLES

	2015 RM	2014 RM
Accruals for real estate operating expenditure	-	44,791
Rental received in advance	-	101,067
Financing costs payable	98,907	374,463
Sundry payables	180,857	210,974
	<u>279,764</u>	<u>731,295</u>

24. AMOUNT DUE TO MANAGER

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)**25. DEFERRED TAX LIABILITY**

	2015 RM	2014 RM
At 1 January	1,950,689	-
Recognised in profit or loss	463,327	1,950,689
At 31 December	<u>2,414,016</u>	<u>1,950,689</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	
	2015 Units	2014 Units	2015 RM	2014 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 2015, the Manager did not hold any unit in the Trust. However, PNB held 5,063,500 (2014: 5,063,500) units, representing approximately 5.06% (2014: 5.06%) of the total units in issue. Based on market price as at 31 December 2015 of RM1.00 (2014: RM1.13) per unit, the value of units held by PNB was RM5,063,500 (2014: RM5,721,755).

27. TRANSACTIONS WITH STOCKBROKING COMPANIES

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

Stock Broker	Value of Trade RM	Percentage of Total Trade %	Brokerage Fees RM	Percentage of Brokerage Fees %
BIMB Securities Sdn Bhd	26,967	17.36	47	13.08
Maybank Investment Bank Bhd. *	128,416	82.64	312	86.92
	<u>155,383</u>	<u>100.00</u>	<u>359</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.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)**28. RELATED PARTY DISCLOSURES**

	2015	2014
	RM	RM
Amanah Saham Nasional Berhad ("ASNB"), a wholly-owned subsidiary of PNB		
- Rental income received	156,000	156,000
- Rental deposits received	65,400	65,400
	<u>156,000</u>	<u>156,000</u>

29. PORTFOLIO TURNOVER RATIO

	2015	2014
Portfolio Turnover Ratio ("PTR")	<u>1.04 times</u>	<u>0.97 times</u>

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 on a yearly basis.

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.

30. MANAGEMENT EXPENSE RATIO

	2015	2014
Management Expense Ratio ("MER")	<u>1.46%</u>	<u>1.24%</u>

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.

31. SEGMENTAL REPORTING**Geographical information**

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.

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)

32. 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(a), 4(b) and 4(c) 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 2015 by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Financial assets at FVTPL RM	Amortised Cost RM	Financial liabilities at amortised cost RM	Total RM
2015				
Assets				
Real estate-related assets	549,038	-	-	549,038
Non-real estate-related assets	1,663,415	-	-	1,663,415
Deposits with financial institutions	-	6,290,698	-	6,290,698
Trade receivables	-	862,046	-	862,046
Other receivables	-	5,916,783	-	5,916,783
Cash and bank balances	-	64,748	-	64,748
Total financial assets	2,212,453	13,134,275	-	15,346,728
Liabilities				
Financing	-	-	59,893,741	59,893,741
Rental deposits	-	-	4,576,200	4,576,200
Other payables	-	-	279,764	279,764
Amount due to Manager	-	-	143,569	143,569
Total financial liabilities	-	-	64,893,274	64,893,274
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	2,443,764	10,992,967	-	13,436,731
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	-	-	43,781,563	43,781,563

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)

33. FAIR VALUE HIERARCHY

(a) Fair value information

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

2015	Level 1	Level 2	Level 3	Total
Quoted shares	2,212,453	-	-	2,212,453
Completed real estates	-	-	180,700,000	180,700,000
	<u>2,212,453</u>	<u>-</u>	<u>180,700,000</u>	<u>182,912,453</u>
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>

(b) 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 either directly or indirectly.

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:

	2015 RM	2014 RM
At 1 January	169,950,000	164,500,000
Addition	1,483,460	5,697,821
Disposals	-	(800,000)
Fair value adjustment	<u>9,266,540</u>	<u>552,179</u>
At 31 December	<u>180,700,000</u>	<u>169,950,000</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.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)

34. 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 or 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)

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

(f) Market risk (Contd.)

(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.

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.

	Changes in basis points *	Sensitivity of interest income and profit Increase/ (decrease) RM
2015		31,454/
Deposit with financial institutions	+50 /-50	(31,454)
Financing	+50 /-50	299,469/ (299,469)
2014		50,661/
Deposit with financial institutions	+50 /-50	(50,661)
Financing	+50 /-50	192,329/ (192,329)

* 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	Total RM	Effective Interest rate * %
2015					
Assets:					
Real estate-related assets	-	-	549,038	549,038	-
Non-real estate-related assets	-	-	1,663,415	1,663,415	-
Deposits with financial institutions	5,403,486	887,212	-	6,290,698	4.32
Trade receivables	-	-	862,046	862,046	-
Other receivables	-	-	5,916,783	5,916,783	-
Total assets	5,403,486	887,212	8,991,282	15,281,980	

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)

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

(f) Market risk (Contd.)

(ii) Interest rate risk exposure (Contd.)

2015	0 - 3 months RM	3 months - 1 year RM	Non-interest bearing RM	Total RM	Effective Interest rate * %
Liabilities:					
Financing	59,893,741	-	-	59,893,741	4.51
Rental deposit	-	-	4,576,200	4,576,200	-
Other payables	-	-	279,764	279,764	-
Amount due to Manager	-	-	143,569	143,569	-
Total liabilities	59,893,741	-	4,999,533	64,893,274	
Total interest sensitivity gap	(54,490,255)	-	3,991,749	(49,611,294)	

2014	0 - 3 months RM	3 months - 1 year RM	Non-interest bearing RM	Total RM	Effective Interest rate * %
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	4.10
Trade receivables	-	-	646,635	646,635	-
Other receivables	-	-	189,065	189,065	-
Total assets	9,934,392	197,868	3,279,464	13,411,724	
Liabilities:					
Financing	-	38,465,824	-	38,465,824	4.26
Rental deposit	-	-	4,453,275	4,453,275	-
Other payables	-	-	731,295	731,295	-
Amount due to Manager	-	-	131,169	131,169	-
Total liabilities	-	38,465,824	5,315,739	43,781,563	
Total interest sensitivity gap	9,934,392	(38,267,956)	(2,036,275)	(30,369,839)	

* 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 due to a reasonably possible change in equity indices, with all other variables held constant is indicated in the table below:

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)

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

(f) Market risk (Contd.)

(iv) Equity price sensitivity (Contd.)

Market index	Changes in equity price %	Effects on profit for the year increase/ (decrease) RM
2015		221,245/
FTSE Bursa Malaysia KLCI	+10 /-10	(221,245)
2014		244,376/
FTSE Bursa Malaysia KLCI	+10 /-10	(244,376)

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.

(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.

The Trust manages its liquidity risk by maintaining a portion of its resources in deposits with financial institutions to meet estimated commitments arising from financial liabilities. In addition, the Manager monitors and observes the Trust's compliance with the Securities Commission Guidelines on Real Estate Investment Trusts concerning limits on total financing.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)**34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)****(h) Liquidity Risk (Contd.)**

As disclosed in Note 21 to the financial statements, the financing refers to the RC which will be rolled over in the next one, two, three or six months. There will be no roll over risk for RC since the Trust is not in breach of any covenants that would trigger an event of default which would affect the Trust's ability to renew the facilities.

The following table summarises the maturity profile of the Trust's financial liabilities based on its remaining contractual maturity. 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
2015				
Financial liabilities				
Financing	60,122,942	-	-	60,122,942
Other liabilities	4,997,012	-	-	4,997,012
Total undiscounted financial liabilities	<u>65,119,954</u>	<u>-</u>	<u>-</u>	<u>65,119,954</u>
2014				
Financial liabilities:				
Financing	16,177,296	21,880,811	954,661	39,012,768
Other liabilities	4,801,156	-	-	4,801,156
Total undiscounted financial liabilities	<u>20,978,452</u>	<u>21,880,811</u>	<u>954,661</u>	<u>43,813,924</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.

35. COMMITMENTS

	2015 RM	2014 RM
Capital commitments:		
Approved and contracted for real estate	<u>241,551,869</u>	<u>15,430,770</u>

36. CURRENCY

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015 (CONTD.)

37. SIGNIFICANT EVENT

The Trust via Circular to unit holders dated 30 July 2015 has announced the proposed acquisition of a property for a purchase consideration of RM240 million ("Proposed Acquisition") and issuance of 120 million new units via right issues on the basis of six rights units for every five existing units ("Proposed Rights Issue") in the Trust based on the entitlement price to be determined later.

The property is a parcel of commercial land held in perpetuity on which a three (3) storey mall cum hypermarket with two (2) sub-basements with a total of approximately 1,454 car parking bays is constructed. The title particulars are Lot No. P.T. 557, Title No. H.S.(D) 206530, Bandar Seremban Utama, District of Seremban, State of Negeri Sembilan bearing postal address Lot 31156, Persiaran S2/B7, Seremban 2, 70300 Seremban, Negeri Sembilan Darul Khusus.

The Proposed Acquisition will be financed by borrowing and the Proposed Right Issues of RM125 million and RM115 million respectively.

On 14 August 2015, the Proposed Right Issues was approved at the Extraordinary General Meeting of the Trust by way of poll.

On 25 September 2015, an application has been made to Bursa Securities ("Bursa") to extend the Cut-Off Period for the Proposed Acquisition for an additional four (4) months from 26 September 2015 to 26 January 2016 in order to fulfill the Conditions Precedent of the SPA. On 22 January 2016, it was announced that the Cut-Off Period was extended for an additional three (3) months to 26 April 2016 in order to fulfill the Conditions Precedent of the sales and purchase agreement.

On 18 December 2015, Bursa has approved the application for an extension of time until 15 July 2016 to complete the implementation of the Proposed Rights Issue.

38. SUPPLEMENTARY INFORMATION

The breakdown of retained earnings of the Trust into realised and unrealised, pursuant to the directive issued by Bursa Securities on 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, is as follows:

	2015 RM	2014 RM
Realised		
Distributable realised income	13,587,971	17,001,591
Unrealised		
Cumulative net change arising from the fair value of real estate	48,280,323	39,013,784
Deferred taxation recognised on fair value of real estate	(2,414,016)	(1,950,689)
Unrealised changes on fair value of real estate-related assets and non-real estate-related assets	92,291	376,476
	45,958,598	37,439,571

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.

1. I am holding unit certificate of Amanah Harta Tanah PNB. What is the status of my units and what should I do?
 - “Old” unit certificates issued in 1989 (pink in colour) is no longer valid as they have been replaced with “new” certificates (blue in colour) in 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

UNIT HOLDERS RESOURCE PAGE (CONTD.)

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 Akauntan 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)

UNIT HOLDERS RESOURCE PAGE (CONTD.)

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 4th. Annual General Meeting of Amanah Harta Tanah PNB ("AHP") will be held at the Theatre, 2nd Floor of Menara PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur on Thursday, 14 April 2016 at 3.30 p.m. to transact the following business:

1. To lay before the Meeting the Audited Financial Statements of AHP for the year ended 31 December 2015 together with the Auditors' Report issued by Messrs. Hanafiah Raslan & Mohamad. **For Discussion Only**

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
29 February 2016

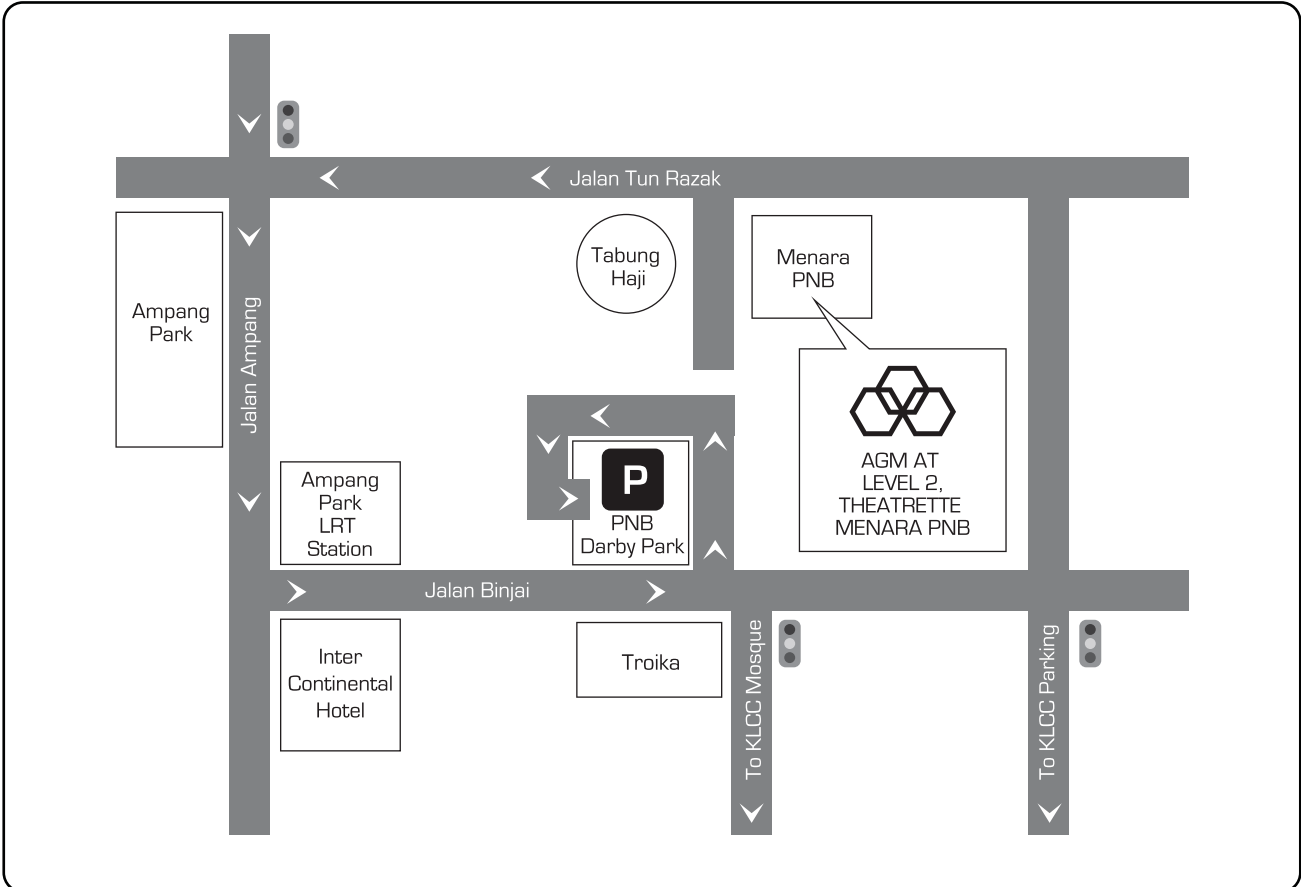
Notes :

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.
2. 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.
3. 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.
4. 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.
5. Only Unit Holders whose names appear in the Records of Depositors as at 8 April 2016 shall be entitled to attend and speak at the Meeting or appoint proxy(ies) to attend on his behalf.

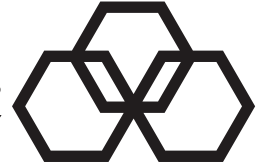
ADMINISTRATIVE NOTES FOR UNIT HOLDERS ATTENDING THE 4th AGM

- i. Registration will commence at 2.30 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 Perdana On The Park (formerly known as PNB Darby Park), a building adjacent to Menara PNB. Access to the parking is via Jalan Binjai.

**PETA KE TEMPAT LETAK KERETA DI PNB PERDANA ON THE PARK (PNB DARBY PARK)
MAP TO CAR PARK AT PNB PERDANA ON THE PARK (PNB DARBY PARK)**



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 4th 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 14 April 2016 at 3.30 p.m. and any adjournment thereof.

Dated this _____ day of _____ 2016

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.
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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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