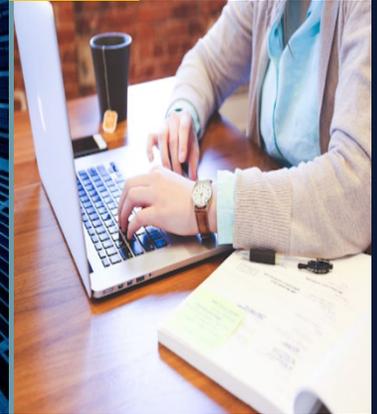




AMANAH HARTA TANAH PNB

20  
22



ANNUAL  
REPORT



# WHAT'S INSIDE

10 Portfolio  
Details

Page

03 Corporate Information

05 Financial Snapshots

12 Financial Review

03 Salient Features of  
Amanah Harta Tanah  
PNB (AHP)

05 Management  
Discussion and  
Analysis

13 Statements  
on Corporate  
Governance

04 Profile of the  
Directors

06 Property Market  
Review (Jan – Dec  
2022)

17 Analysis of  
Unit holdings

04 Management  
Team

08 Property Market  
Outlook

17 Financial  
Statements

## CORPORATE INFORMATION

### MANAGER

Pelaburan Hartanah Nasional Berhad (PHNB) (198801008611 / 175967-W)  
REGISTERED OFFICE OF THE MANAGER  
Tingkat 4, Balai PNB 201-A,  
Jalan Tun Razak 50400 Kuala Lumpur  
Telephone : 03-2050 5100  
E-mail : [phnb@pnb.com.my](mailto:phnb@pnb.com.my)

### TRUSTEE

AmanahRaya Trustees Berhad  
(200701008892 / 766894-T)  
Tingkat 14, Wisma AmanahRaya  
No.2, Jalan Ampang, 50508 Kuala Lumpur  
Telephone : 03-2036 5000  
Facsimile : 03-2072 0320

### BOARD OF DIRECTORS OF THE MANAGER

Dato' Johan bin Ariffin  
(Independent Non-Executive Chairman)  
Puan Zaida Khalida binti Shaari  
(Independent Non-Executive Director)  
Puan Roslina binti Abdul Rahman  
(Independent Non-Executive Director)  
Encik Hafidz Atrash Kosai bin Mohd Zihim  
(Chief Executive Officer / Executive Director)

### SECRETARY OF THE MANAGER

Puan Hartini binti Zainal Abidin  
(LS0009690)  
Tingkat 4, Balai PNB 201-A,  
Jalan Tun Razak 50400 Kuala Lumpur

### MANAGEMENT OF THE MANAGER

Encik Hafidz Atrash Kosai bin Mohd Zihim  
(Chief Executive Officer / Executive Director)  
Puan Huda binti Che Mohd Noh  
(Assistant Vice President : Tenancy and Contract Management)  
Puan Normala binti Lamin  
(Assistant Vice President : Marketing, Leasing and Operations)

### INVESTMENT MANAGER

Permodalan Nasional Berhad (PNB)  
(197801001190 / 38218-X)  
Tingkat 4, Balai PNB, 201-A,  
Jalan Tun Razak, 50400 Kuala Lumpur

### AUDITORS

Ernst & Young PLT  
202006000043 (LLP0022760-LCA) & AF 0039  
Level 23A, Menara Milenium, Jalan Damanlela,  
Pusat Bandar Damansara, 50490 Kuala Lumpur  
Telephone : 03-7495 8000  
Facsimile : 03-7495 7908

### SOLICITORS ADVISING THE MANAGER IN CONNECTION WITH THE TRUST

Messrs. Zainal Abidin & Co.  
Suite 1803-1806, 18<sup>th</sup> Floor, Plaza Permata,  
Jalan Kampar, off Jalan Tun Razak,  
50400 Kuala Lumpur  
Telephone : 03-4041 5266  
Facsimile : 03-4042 7179  
E-mail : [zainalabidin@zac.com.my](mailto:zainalabidin@zac.com.my)

### BANKERS FOR THE TRUST

Maybank Islamic Berhad  
(200701029411 / 787435-X)  
CIMB Islamic Bank  
(200401032872 / 671380-H)

### PROPERTY MANAGER

IM Global Property Consultants Sdn Bhd  
(200501019108 / 701223-X)  
47-2, 2nd Floor, Wisma IMG, Jalan 3/76D,  
Desa Pandan, 55100 Kuala Lumpur

### WEBSITE

[www.ahp.com.my](http://www.ahp.com.my)

## SALIENT FEATURES OF AHP

### FUND NAME

Amanah Harta Tanah PNB  
(AHP)

### FUND CATEGORY

Unlisted Real Estate  
Investment Trust  
(Effective from 25  
February 2021)

### GEARING POLICY

Not exceeding 50% of the  
total asset value of the  
Trust.

### INVESTMENT OBJECTIVE

To provide reasonable and sustainable income and capital growth through selective acquisition. AHP will acquire and invest in commercial real estates including but not limited to office, retail malls, hypermarkets, warehouses, logistic assets, education complexes and other suitable properties.

### OPERATING STRATEGY

The Manager's operating strategy is to continue enhancing the performance of the existing portfolio by increasing the return and yield of the properties. This can be achieved by implementing a combination of activities such as retaining existing quality tenants, reducing vacancy levels, optimizing spaces, minimizing interruption in rental income and minimizing operational expenses through cost effective measures.

### PERMISSIBLE INVESTMENT

Investment in real estate, non-real estate assets and cash, deposit and money market instruments. At least 50% of AHP's total assets must be invested in real estates that generate recurring rental income at all time.

### INVESTMENT POLICY AND STRATEGY

The principal investment strategy and policy of AHP is to invest in a diversified portfolio of income producing real estates that are able to provide competitive and consistent returns with growth potential in rental yield and capital value.

### ACQUISITION STRATEGY

The Manager will continuously scout for new properties to increase the size of the REIT and cash flow through selective acquisitions with clear emphasis on sustainable returns, location, occupancy and tenancy mix, building structure and facilities.

### DISTRIBUTION POLICY

The Manager endeavors to ensure two distributions in each financial year. The Manager aims to distribute at least 90% of the distributable income for each financial year.

### REVALUATION POLICY

The investment properties shall be revalued at least once every year by independent registered valuers

## PROFILE OF THE DIRECTORS



**DATO' JOHAN BIN ARIFFIN**  
(Independent Non-Executive Chairman)

Age 63	Nationality Malaysian	Date of Appointment 1 January 2017	Board Meeting 5/5
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### DIRECTORSHIP

- Permodalan Nasional Berhad
- Pelaburan Hartanah Nasional Berhad
- Etiqa Family Takaful Berhad
- Maybank Ageas Holdings Berhad

### QUALIFICATION

- 1980 - Bachelor of Arts Degree in Economics from Indiana University, Bloomington Indiana, USA
- 1981 - MBA (Marketing) from University of Miami, Coral Gables, Florida, USA

### WORKING EXPERIENCE

- Chairman of Mitraland Group of Companies
- Directors of several other companies in Etiqa Insurance and Takaful Group



**PUAN ZAIDA KHALIDA BINTI SHAARI**  
(Independent Non-Executive Director)

Age 56	Nationality Malaysian	Date of Appointment 18 October 2021	Board Meeting 5/5
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### DIRECTORSHIP

- Pelaburan Hartanah Nasional Berhad
- UEM Sunrise Berhad
- MNRB Holdings Berhad
- Cement Industries of Malaysia Berhad
- AEON Co.(M) Berhad
- Mega Legacy (M) Sdn Bhd

### QUALIFICATION

- 1989 - LLB (Hons) from the University of Warwick, United Kingdom
- 1990 - Barrister-at-Law at Gray's Inn, UK
- 1991 - Malaysian Bar
- 2009 - Master of Business Administration from University of Strathclyde, UK

### WORKING EXPERIENCE

- Senior Compliance Officer & Head of Legal Department at Permodalan Nasional Berhad
- Executive Director of Investments at Khazanah Nasional Berhad
- Chief Executive Officer of Yayasan AMIR



**PUAN ROSLINA BINTI ABDUL RAHMAN**  
(Independent Non-Executive Director)

Age 54	Nationality Malaysian	Date of Appointment 2 February 2023	Board Meeting -
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### DIRECTORSHIP

- Edotco Sdn Bhd
- Century Chemical Works Sdn Bhd

### QUALIFICATION

- 1990 - Bachelor of Business Administration, Layola Marymount University, Los Angeles, USA
- 2000 - Master of Business Administration, University of New South Wales & The University of Sydney, Australia
- 2022 - Advance Business Program, Harvard Business School, Boston, USA

### WORKING EXPERIENCE

- Senior Portfolio Manager/Head of Corporate Services at AmInvestment Management
- Senior Vice President/Head of Funds Management, Investments at CIMB-Principal Asset Management
- County Head and Managing Director of Amundi Malaysia
- Group CEO of ValueCap



**ENCIK HAFIDZ ATRASH KOSAI BIN MOHD ZIHIM**  
(Chief Executive Officer/ Executive Director)

Age 47	Nationality Malaysian	Date of Appointment 21 November 2014	Board Meeting 5/5
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### DIRECTORSHIP

- Pelaburan Hartanah Nasional Berhad

### QUALIFICATION

- Institute of Chartered Accountants in Ireland (FCA Ireland)
- Chartered Accountant (CA) of Malaysian Institute of Accountants
- Bachelor of Arts (Hons) (Accounting and Finance), Leicester DeMontfort University, England

### WORKING EXPERIENCE

- Attached with a renowned investment bank and prior to that, was involved in the accounting and auditing sector in Permodalan Nasional Berhad ("PNB")
- Chief Executive Officer of Pelaburan Hartanah Nasional Berhad ("PHNB")

## MANAGEMENT TEAM



**DATO' MOHD NIZAM ZAINORDIN**  
Deputy President & Group Chief Financial Officer, PNB



**HARTINI ZAINAL ABDIN**  
Group Head, Company Secretary & Legal, PNB



**NUR FARAHBI SHAARI**  
Head, Domestic Core Investments, PNB



**ENCIK HAFIDZ ATRASH KOSAI BIN MOHD ZIHIM**  
Chief Executive Officer / Executive Director, PHNB



**NORMALA LAMIN**  
Assistant Vice President Leasing, Marketing & Operation, PHNB



**HUDA CHE MOHD NOH**  
Assistant Vice President Tenancy & Contract Management, PHNB



## NET ASSET VALUE (NAV) PER UNIT

RM1.7331



## NO OF PROPERTIES

3

## TOTAL NET LETTABLE

AREA (sq.ft)

999,046.63



## OCCUPANCY RATE

100%



## TOTAL ASSET VALUE (TAV)

RM534.14 mil



## FINANCING LIMITATIONS

50% of TAV

## DISTRIBUTION PER UNIT

(DPU) (sen)

5.48



## FINANCIAL PERIOD END

31 December 2022

## INVESTMENT OBJECTIVE

- To provide a reasonable level of recurring income to unit holders through acquisition of selective real estate investments, with potential for long-term capital appreciation.
- AHP will acquire and invest in real estate assets with strong fundamentals and outlook, with a view to provide sustainable income for distribution and capital growth.

## INVESTMENT STRATEGY

- To invest in a diversified portfolio of income producing real estate assets that are able to provide competitive and consistent returns with growth potential in rental yield and capital value.
- Other authorized investments are as follows:-
  - Non-real estate assets i.e., bonds, shares and others;
  - Cash, deposits, and money market instruments; and,
  - investments approved by the Trustee, Securities Commission and any other regulatory authority.

## OPERATING STRATEGY

- The Manager's operating strategy is to continue enhancing the performance of the existing portfolio by increasing the return and yield of the properties.
- This can be achieved by implementing a combination of activities such as retaining existing quality tenants, reducing vacancy levels, optimising retail spaces, minimizing interruption in rental income and minimising operational expenses through cost effective measures.

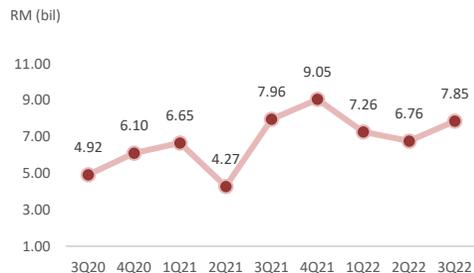
## ACQUISITION STRATEGY

- The Manager will continuously identify new properties to increase the size of the REIT and cash flow through selective acquisition with clear emphasis on property return, location, occupancy and tenancy mix, building structure and facilities.
- The Manager will also continuously review the performance of the existing portfolio and search for value adding, yield-accretive and sizeable assets to generate competitive and consistent returns to the unit holders.

# PROPERTY MARKET REVIEW (January – December 2022)

## Commercial

Property Transaction Value (RM bil)



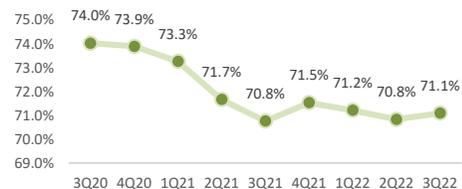
The transaction value for the commercial sector in 3Q 2022 shows an increment of 16.1% compared to the preceding quarter, with a total value of RM7.85 billion.

Property transactions for all sectors indicate a positive trend with double-digit q-on-q growth except for the industrial sector, which shows a decrease of 20.3% from the previous quarter. The recorded rebound in 3Q 2022 could be due to the normalisation of the economic activity in Malaysia as the country is moving toward endemicity.

However, when comparing y-o-y value, the commercial sector has not been performing very well as it recorded a slight downturn in transaction value by 1.4%, which is equivalent to RM0.11 billion. Meanwhile, the residential sector recorded a growth of 40.5% in 3Q 2022, with a total value of RM25.03 billion compared to RM17.82 billion in 3Q 2021. Furthermore, both agriculture and development land and others also display an increase in y-o-y value.

## Office

Occupancy Rate in Malaysia (%)

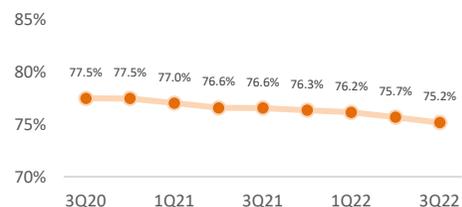


The total occupied space in the office sector in Malaysia has slightly improved in 3Q 2022 compared to the previous quarter. There is an increment of 0.3% of the occupancy rate between 2Q 2022 and 3Q 2022 as businesses are recovering and the transition towards the endemic phase has resulted in more people returning to work in the office. There is also an upsurge in interest in co-working space establishments which require owners to take up more areas to be rented out.

The recorded rate, however, is still lower than the last quarter of 2021 as a result of the declining trend in the first half of 2022 due to less occupied space in the office sector compared to the existing stock. In Kuala Lumpur, the record shows that in 1H 2022, the existing stock has expanded by 6.96% compared to only a 6.76% increase in the total occupied space.

## Retail

Occupancy Rate in Malaysia (%)



The occupancy rate of the retail sector in Malaysia shows a gradual declining trend since 3Q 2021. This could be due to an imbalance of demand and supply in the retail market.

The existing supply of retail space in Malaysia has increased to 174 million square feet in 3Q22, a 3.4% increase from 3Q21 and a 0.5% increase from the preceding quarter, 3Q21. On the other hand, total occupied retail space in Malaysia has only improved by 1.5% y-o-y and decreased by 0.2% q-o-q.

As a result, the occupancy rate of retail space has reduced to 75.2% in 1Q 2022, the lowest recorded occupancy rate in five years.

As industrial properties are typically on triple net leases or fully tenanted by single tenants, the number of overhang units reported by NAPIC would be the more relevant metric to assess the sector rather than occupancy rates.

The overhang situation for the industrial properties displays a healthy trend when much lower numbers of overhang units are recorded in the 3Q 2022.

Decreasing rate of the industrial overhang units to the total stock signifies that the demand for industrial assets is still strong. Also, the total stocks of the industrial assets exhibit an addition of less than one per cent (1%) y-o-y in 3Q 2022, which means that the supply of the industrial stocks are not so aggressive that avoids an oversupply situation.

## Industrial

Industrial Overhang (units), Overhang to Total Stock (%)



## PERTINENT ACTIVITIES

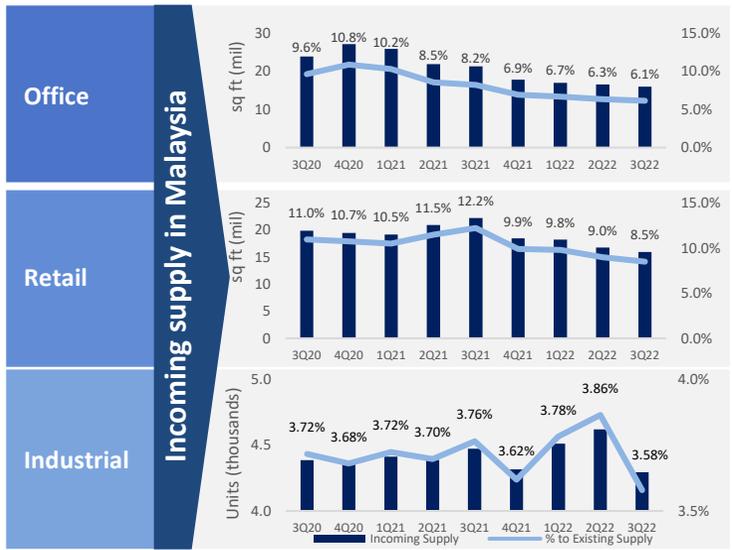
### Portfolio Rebalancing Exercise

In 2022, PHNB continued to undertake a portfolio rebalancing exercise by selling low yielding properties and replacing them with yield accretive assets with a target return of more than 6%. Upon completion of the portfolio rebalancing exercise, AHP is expected to provide an immediate and sustainable return to its investors. The aspiration of AHP is to grow its asset size to at least RM3 billion within the next 5 years.

The portfolio rebalancing exercise in 2022 involves the disposal of Bangunan AHP, which was completed on 22 June 2022, the acquisition of Lotuss Kajang which was completed on 30 December 2022, and the acquisition of Mydin MITC which was completed on 23 December 2022. As a result, AHP portfolio consists of Mydin Seremban 2, Mydin MITC, and Lotuss Kajang by end of 2022.

<b>JUNE 2022</b>	<b>Disposal Bangunan AHP</b>	 <div style="position: absolute; bottom: 10px; right: 10px; background-color: #0072bc; color: white; padding: 5px; transform: rotate(-45deg); transform-origin: bottom right;"> <b>RM 86.0 mil</b> </div>	<p>Pursuant to the Sale and Purchase Agreement (“SPA”) dated 5 May 2022 entered by AmanahRaya Trustees Berhad as the Trustee of AHP with Kuala Sentral Point Sdn Bhd (“KSPSB”), the disposal of Bangunan AHP for a price consideration of RM86.0 million was completed on 22 June 2022.</p> <p>Part of the proceeds from the disposal of Bangunan AHP was distributed as special dividends of 5.96 sen per unit to AHP’s unit holders on 30 August 2022, whereas the remainder of the proceeds was utilized as part of the payment for the acquisition of Mydin MITC.</p>
<b>DECEMBER 2022</b>	<b>Acquisition of Lotus’s Kajang</b>	 <div style="position: absolute; bottom: 10px; right: 10px; background-color: #0072bc; color: white; padding: 5px; transform: rotate(-45deg); transform-origin: bottom right;"> <b>RM 79.9 mil</b> </div>	<p>The SPA for the acquisition of Lotuss Kajang from PNBC Permodalan Harta Sdn Bhd dated 5 May 2022 for a price consideration of RM79.9 million was completed on 30 December 2022.</p> <p>The acquisition was financed by internally generated cash, particularly from proceeds of the disposal of Plaza VADS which was completed last year as well as bank loan.</p>
	<b>Acquisition of Mydin MITC</b>	 <div style="position: absolute; bottom: 10px; right: 10px; background-color: #0072bc; color: white; padding: 5px; transform: rotate(-45deg); transform-origin: bottom right;"> <b>RM 142 mil</b> </div>	<p>The SPA for the acquisition of Mydin MITC from Permodalan Nasional Berhad dated 7 July 2022 for a price consideration of RM142 million was completed on 23 December 2022.</p> <p>The acquisition was financed by internally generated cash, particularly from proceeds of the disposal of Bangunan AHP which was completed on 22 June 2022 as well as bank loan.</p>

# PROPERTY MARKET OUTLOOK



Incoming office supply in Malaysia has been on a declining trend, with the latest addition of 15.9 million square feet in 3Q, 2022 which is equivalent to 6.1% of the existing supply.

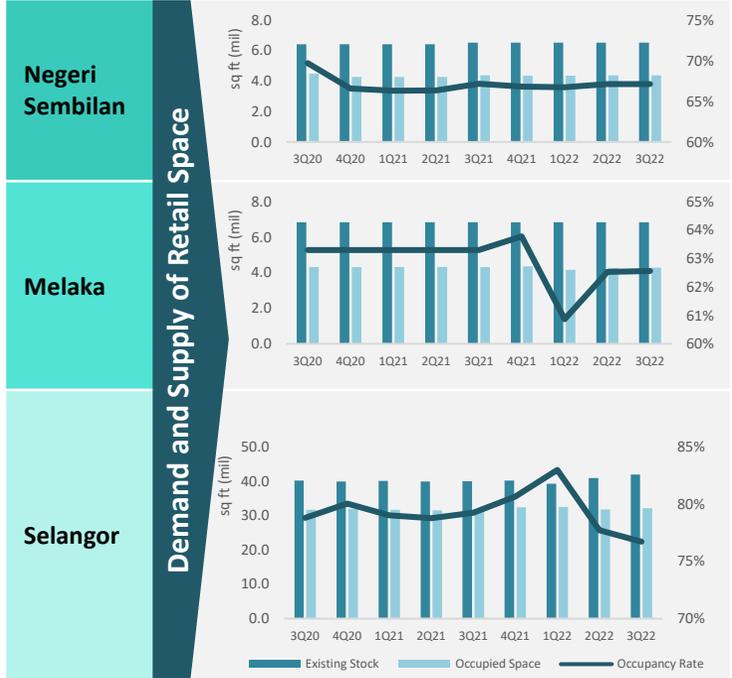
The downward supply trend of the office sector might be considered a positive view as the occupancy rate has increased. Furthermore, the demand for office space is expected to grow as more workers are required to work in the office and more organisations are firming up their physical workplace planning.

Incoming retail supply in Malaysia has recorded a slight decrease for the year 2022 with the latest addition of 8.5% to the existing supply of close to 16 million square feet in 3Q, 2022.

The decreasing trend might aid the health of the retail sector, however, as explained in the Property Market Review section, there is an imbalance of the existing supply and demand in which the supply of the retail areas exceeds the demand. This might be due to the shift in consumer buying behavior caused by the Covid19 pandemic, coupled with the acceleration in digital transformation.

Incoming industrial supply in Malaysia showed a drop in 3Q 2022 with 3.58% to the existing supply of 120,002 units compared to 3.86% to the existing supply of 119,551 units in 2Q 2022.

According to S&P Global Market Intelligence, the reduction was caused by muted demand conditions which led the manufacturers to reduce the production level. In spite of this, the demand in the industrial sector is still considered strong due to the decrease in overhang units of the industrial assets.



Existing retail space in Negeri Sembilan has remained stable from 4Q 2021 until 3Q 2022 with 6.5 million square feet. Meanwhile, the occupied retail space has marginally increased in 2Q and 3Q 2022 which led to an increment in the occupancy rate to 67.1%.

With Mydin Seremban 2 being a large hypermarket constituting 19.1% of total hypermarket space in Negeri Sembilan in a stable retail space environment, the asset has been holding up relatively well amidst the pandemic and the recent recovery has allowed the lessee to maintain discipline in paying their rental as obligated by the lease agreement.

The acquisition of Mydin MITC Melaka into AHP's portfolio has enabled the fund to obtain an additional asset that generates a recurring income. The asset is fully occupied and considered as one of the largest Mydin retail hypermarket in Malaysia with 437,681 square feet of gross floor area. It was observed that the demand and supply of retail space in Melaka is stable as compared to the market.

Existing retail space in Melaka has been relatively unchanged throughout several years with a total area of 6.8 million square feet. In 1Q 2022, the occupied retail space has decreased which resulted in a reduced occupancy rate of 61%. Subsequently, the occupancy rate has recovered slightly in 2Q 2022 to 63% and maintained until the recent quarter.

Another asset that was included into the portfolio for the year 2022 is Lotuss Kajang located in Selangor.

As seen in the above graph, the occupancy rate for retail space in Selangor displays a downward trend with a peak of 83% in 1Q 2022 and reduces thereafter in the following quarters. This is due to the increase by 4.4% in existing supply in 2Q 2022 while the occupied space has dropped by 2.2%. In 3Q 2022, total occupied space has shown improvement when it increased by 1.1%, however, the existing supply has also increased by 2.4% which resulted in an imbalance of demand and supply in the sector. As a result, the occupancy rate of retail space in Selangor has reduced to 76.7% in 3Q 2022, also the lowest recorded occupancy rate in three years.

Lotuss Kajang, in comparison, has remained fully occupied and the lessee continues to be a good paymaster, indicating the resilience of the lessee's business.

Source : National Property Information Centre (NAPIC)



AMANAH HARTA TANAH PNB

- AHP portfolio is currently concentrated in the retail segment, particularly hypermarkets, with three hypermarket buildings currently being held by AHP. While the overall outlook of the retail property market in Malaysia has remained imbalanced with large incoming supply and demand being impacted by the increasing e-commerce penetration, the outlook for hypermarkets is positive as an essential service that addresses the day-to-day needs of mass consumers. This is evident in the performance of AHP's hypermarket assets which are yield accretive and tenants that have continued to be good paymasters.
- The Manager will continue to assess the property market conditions and identify high quality property assets with strong fundamentals to grow the AHP portfolio in a sustainable manner.
- The Manager will also continue to exercise prudent investment strategy and continue to evaluate the performance of the current portfolio.





**MYDIN SEREMBAN 2**

<b>Property Details</b>	3-storey mall-cum-hypermarket building with two levels of sub-basement Seremban 2, Negeri Sembilan	<b>Age of Building</b>	7 years
<b>Net Lettable Area</b>	430,642.47 sq.ft.	<b>Net Book Value</b>	RM202.79 million
<b>Market Value</b>	RM252.0 mil	<b>Latest Valuation</b>	RM252.0 million (as of 1 Dec 2022) W.M. Malik & Kamaruzaman Sdn Bhd
<b>Occupancy Rate</b>	100%	<b>Tenancy Period</b>	30 years from 13 Sept 2016 (unexpired lease of 24 years)
<b>Major Tenants</b>	Mydin Mohamed Holdings Berhad	<b>Rental (RM psf)</b>	RM3.58 (for the 2nd terms expiry 12 Sept 2024)
<b>Land Tenure</b>	Perpetuity	<b>Number of parking bays</b>	1,454 bays
<b>Date of acquisition</b>	27 April 2015	<b>Encumbrances</b>	Charged to Financial Institution



**MYDIN MITC MELAKA**

<b>Property Details</b>	2-storey Purpose-Built Hypermarket, Ayer Keroh, Melaka	<b>Age of Building</b>	13 years
<b>Net Lettable Area</b>	370,346.16 sq. ft.	<b>Net Book Value</b>	RM142.72 million
<b>Market Value</b>	RM142.0 mil	<b>Latest Valuation</b>	RM142.0 million (as of 31 March 2022) W.M. Malik & Kamaruzaman Sdn Bhd
<b>Occupancy Rate</b>	100%	<b>Tenancy Period</b>	30 years from 4 February 2013 (unexpired lease of 21 years)
<b>Major Tenants</b>	Mydin Mohamed Holdings Berhad	<b>Rental (RM psf)</b>	RM2.41 (for the 4th terms expiry 3 Feb 2025)
<b>Land Tenure</b>	Leasehold 99 years expiring on 12/5/2103	<b>Number of parking bays</b>	685 bays
<b>Date of acquisition</b>	23 December 2022	<b>Encumbrances</b>	NIL

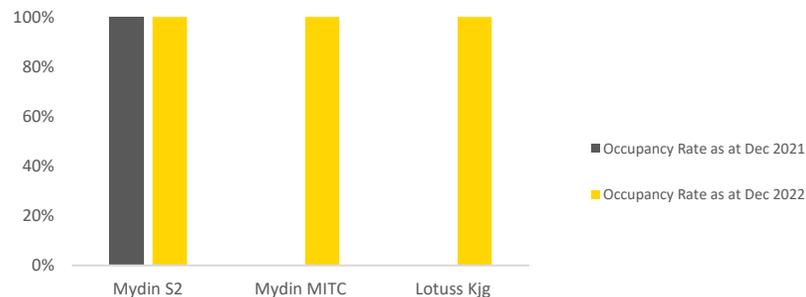


**LOTUS'S KAJANG**

<b>Property Details</b>	Land area of 324,219 sq. ft.t. with 2-storey hypermarket building, Kajang, Selangor	<b>Age of Building</b>	17 years
<b>Net Lettable Area</b>	198,058.00 sq. ft.	<b>Net Book Value</b>	RM80.25 million
<b>Market Value</b>	RM79.9 mil	<b>Latest Valuation</b>	RM79.9 million (as of 1 Oct 2022) W.M. Malik & Kamaruzaman Sdn Bhd
<b>Occupancy Rate</b>	100%	<b>Tenancy Period</b>	20 years from 24 Nov 2005 (unexpired lease of 3 years)
<b>Major Tenants</b>	Lotuss Stores (Malaysia) Sdn Bhd	<b>Rental (RM psf)</b>	RM2.55 (for the 6th terms expiry 24 Nov 2023)
<b>Land Tenure</b>	Freehold	<b>Number of parking bays</b>	800 bays
<b>Date of acquisition</b>	30 December 2022	<b>Encumbrances</b>	NIL

## TENANCY MANAGEMENT

As of 31 December 2022, the overall portfolio occupancy rate maintained at 100%



## TENANCY RENEWALS

All tenancy agreements that expired in 2022 were renewed accordingly.

	Numbers of tenancy expired
1H 2022	4
2H 2022	0

### Note

- All the previous recorded tenancies are from the tenants of Bangunan AHP.
- Tenancy renewal and expiry profiles are only recorded for the 1H due to the disposal of Bangunan AHP which was completed on 22 June 2022.

## LEASING EXPIRY PROFILES

Property	Tenant	Expiry Date
Mydin Hypermarket Seremban 2	Mydin Mohamed Holdings Berhad	12 September 2046
Mydin MITC Melaka	Mydin Mohamed Holdings Berhad	3 February 2043
Lotuss Kajang	Lotuss Stores (Malaysia) Sdn Bhd	24 November 2025

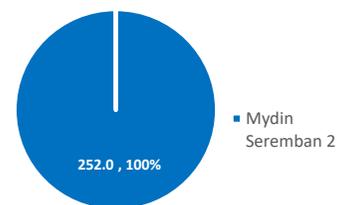
## WEIGHTED AVERAGE LEASE EXPIRY ("WALE")

AHP's portfolio comprises of only long-term leases. As for the reporting period, the overall portfolio's WALE was about **18.21** years, an increase from 2021's WALE of 14.00. This was mainly due to the acquisition of two properties with single tenant each under lease agreement.

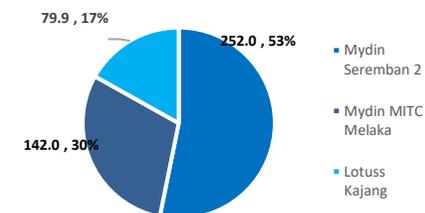
Property	WALE (years) *as of Dec 2022
Mydin Hypermarket Seremban 2	10.20
Mydin MITC Melaka	7.44
Lotuss Kajang	0.56
<b>Total</b>	<b>18.21</b>

## COMPOSITION OF INVESTMENT PORTFOLIO

### MV as of June 2022



### MV as of December 2022



### Key Highlights:

- Acquisition of Mydin MITC Melaka was completed on 23 December 2022
- Acquisition of Lotuss Kajang was completed on 30 December 2022
- Disposal of Bangunan AHP from AHP to Kuala Sentral Point Sdn Bhd, an external party was completed on 22 June 2022

# FINANCIAL REVIEW (as of 31 December 2022)

## Summary of Performance

	2022	2021	2020	2019	2018
Total Asset Value (RM'000)	534,188	414,265	453,566	457,540	482,781
Total Islamic Financing (RM'000)	221,750	125,000	161,488	163,288	187,438
Net Asset Value before income distribution (RM '000)	302,558	277,490	280,236	282,132	282,165
Net Asset Value after income distribution (RM '000)	294,492	272,182	271,855	275,752	275,609
Net Asset Value per unit					
• Before income distribution (sen)	173.29	158.93	127.38	128.24	128.26
• After income distribution (sen)	168.67	155.89	123.57	125.34	125.28
• Highest Net Asset Value (sen)	178.92	161.18	128.65	129.58	128.61
• Highest Net Asset Value a unit (sen)	157.04	157.37	125.73	126.41	126.35
Price per unit (sen)					
• Closing market price	N/A	N/A	99.0	76.5	78.0
• Highest traded price	N/A	N/A	99.0	83.0	84.5
• Lowest traded price	N/A	N/A	58.0	72.0	70.5
Unit in Circulation ('000)	174,594	174,594	220,000	220,000	220,000

## Summary of Results

Net rental income (RM'000)	25,997	29,226	29,249	32,078	31,497
Income after taxation (Realised and Unrealised) (RM'000)	46,497	10,943	8,334	12,792	12,319
Realised net income after taxation (RM'000)	46,497	11,318	12,235	15,222	12,398
Earnings per unit (realised and unrealised) (sen)	26.63	6.27	3.79	5.81	5.60
Earnings per unit (realised) (sen)	26.63	6.48	5.56	6.92	5.64
Interim income distribution (RM'000)					
• Gross of tax	7,246	6,984	3,850	6,270	5,830
• Net of tax	5,716	5,308	3,850	6,270	5,830
Special income distribution	10,406	--	--	--	--
Date of Distribution	30/8/2022	30/8/2021	28/8/2020	30/8/2019	30/8/2018
Final income distribution (RM'000)					
• Gross of tax	9,571	6,984	8,381	6,380	6,556
• Net of tax	8,066	5,308	8,381	6,380	6,556
Date of Distribution	28/2/2023	28/2/2022	26/2/2021	28/2/2020	28/2/2019
Interim income distribution per unit (sen)					
• Gross of tax	4.15	4.00	1.75	2.85	2.65
• Net of tax	3.27	3.04	1.75	2.85	2.65
Special income distribution	5.96	-	-	-	-
Final income distribution per unit					
• Gross of tax	5.48	4.00	4.80	2.90	2.98
• Net of tax	4.62	3.04	4.80	2.90	2.98

## Summary of Performance

	2022	2021	2020	2019	2018
Management Expense Ratio (%)	1.00	1.26	1.12	1.14	1.10
Portfolio Turnover Ratio (times)	1.32	1.29	1.45	1.48	1.52
Gearing Ratio (%)	41.51	30.17	35.60	35.69	38.82
Distribution Yield (%)	9.00 ~	5.03	6.62	7.52	7.22

### Notes:

- ~ Based on annualised income distribution divided by net asset value per unit
- N/A - Not applicable
- NAV – Net Asset Value

## Summary of Results

	One Year	Three Years	Five Years	Since 1989
	%	%	%	%
Average Annual Return				
AHP	18.85	40.36	23.90	8.40
Kuala Lumpur Composite Index (KLCI)	(4.60)	(2.00)	(3.60)	4.30
Property Index	(8.89)	(8.27)	(12.17)	(0.94)
REIT Index	(2.40)	(9.86)	(7.78)	(6.98)

## Annual Total Return for the Last Five Financial Year

	2022	2021	2020	2019	2018
Total Return (%)	18.85	68.62	37.97	5.45	0.16
Capital Return (%)	9.04	60.54	29.41	(1.92)	(6.59)
Income Return (%)	9.00	5.03	6.62	7.52	7.22
Benchmark :					
Property Index	(8.89)	(4.22)	(11.55)	(5.19)	(28.59)
REIT Index	(2.40)	(5.04)	(13.38)	4.10	(12.53)

## Computation of Return

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

$$\text{Capital return} = \frac{(\text{End of Year NAV} - \text{Beginning of Year NAV}) \times 100}{\text{Beginning of Year NAV}}$$

$$\text{Income return} = \frac{\text{Income Distribution}}{\text{End of Year NAV}}$$

### Note:

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

# STATEMENT OF CORPORATE GOVERNANCE

BEING A WHOLLY OWNED SUBSIDIARY OF PERMODALAN NASIONAL BERHAD (“PNB”), PHNB SHARES THE SAME VALUES AND BELIEFS AS PNB. PNB AND PHNB BELIEVE THAT A CULTURE OF TRANSPARENCY, ACCOUNTABILITY, AND INTEGRITY IS PARAMOUNT IN ENSURING OUR COMMITMENT TOWARDS BECOMING A DISTINCTIVE WORLD CLASS INVESTMENT HOUSE. THE PRESENT CHALLENGING VOLATILE MARKET CONDITIONS HAVE MADE IT MORE VITAL FOR US TO ENSURE CONFORMANCE TO THE HIGHEST STANDARD OF CORPORATE GOVERNANCE, WHICH DEPEND ON OUR INTERNAL POLICIES AND PROCESSES. WITH THAT IN MIND, WE ARE PLEASED TO REPORT THE APPLICATION OF THE PRINCIPLES AND BEST PRACTICES OF CORPORATE GOVERNANCE BY PNB AND PHNB, AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (“THE CODE”).

<p><b>THE BOARD'S PRINCIPAL RESPONSIBILITIES</b></p>	<p>The sustainability and growth of PHNB will depend always on the proper execution of the Board's fundamental roles, which include to:</p> <ul style="list-style-type: none"> <li>• set and monitor its strategic business objectives;</li> <li>• review policies and procedures to ensure that its corporate conduct is in line with the principles of integrity and accountability;</li> <li>• review the adequacy of its system of internal control, management information systems, and compliance with applicable laws;</li> <li>• monitor the performance of the management and reviewing it; and</li> <li>• assess the implementation of the risk management system</li> </ul>
<p><b>BOARD OF DIRECTORS</b></p>	<p>A healthy Board culture which promotes and upholds good governance practices will ensure that the stakeholders' interests are protected. It is important for the Board to have a clear understanding of their roles and responsibilities. The selection of individuals with the required mix of skills and experience is paramount in order for the Board to be able to provide a clear and effective leadership whilst inculcating healthy governance practices. Currently, the Board consists of three (3) members, comprising two (2) Independent Non- Executive Directors and one (1) Non-Independent Executive Director.</p> <p>There is no family relationship among the Directors and/or major unitholders. None of the Directors has any conflict of interest with AHP and none of the members has been convicted for any offences other than traffic offences within the past ten (10) years.</p>
<p><b>BOARD OF DIRECTORS MEETINGS (Frequency of Meetings)</b></p>	<p>In order to discharge their responsibilities effectively, the Board convenes on quarterly basis, with additional special meetings being conducted should circumstances warrant such meetings be held, to approve corporate proposals, strategic business plans, and direction or any other matters that require the Board's decision. For any matters requiring Board decision and approvals during the intervals between Board Meetings, circular resolutions are submitted to the Directors together with all relevant information and explanation required for an informed decision to be made.</p>

<p><b>CONDUCT OF MEETINGS (Board Agenda)</b></p>	<p>At each meeting, the Chairman of the Board and the respective PNB Board Committees are brief on the agendas for the meetings. The Chairman reviews the Board and PNB committee agendas, as required. The Directors attending the meetings are at liberty to propose items for the agenda, and each Director is free to recommend for discussion any issues related to the business of PHNB or any other related matter.</p>
<p><b>DISTRIBUTION OF MEETING MATERIALS</b></p>	<p>Presently, the Board meetings are on a paperless basis with the use of the BoardPac System. The system has enabled the Company Secretary to furnish the Board and PNB Committee members with immediate access to the material of the meetings prior to each Board meeting.</p>
<p><b>ACCESS TO ADVICE</b></p>	<p>The Board and its PNB Committees have unrestricted access to the advice and services of the officers and employees of PHNB and may engage independent third parties as deemed necessary, in discharging their duties and fulfilling their obligations.</p>
<p><b>APPOINTMENT (Selection of Directors)</b></p>	<p>The Board members are selected through the recommendation from the PNB's Nomination and Remuneration Committee, which is responsible for the nomination of candidates for the directorship within the PNB Group.</p> <p>Potential candidates are screened from diversified industries in order to ensure only those with the right mix of capabilities, expertise and experience are chosen. The composition of the Board is also reviewed regularly to ensure the effective contribution to the Board's deliberation.</p>
<p><b>BOARD COMMITTEES</b></p>	<p>By virtue of the Service Level Agreement (SLA) between PHNB and PNB dated 15 December 2021 which is an updated SLA, latest SLA with addition for the outsourcing of supervisory and back-office functions to PNB. The following are other committees established by PNB which also covers PHNB and AHP:</p> <ul style="list-style-type: none"> <li>• Nomination And Remuneration Committee;</li> <li>• Compliance Committee;</li> <li>• Risk Management Committee;</li> <li>• Appeal Committee; and</li> <li>• Tender Committee</li> </ul> <p>The above committees have a separate written terms of reference, scope of authority and responsibilities. All matters discussed and actions taken at the respective meetings will be reported to the Board. Each committee will review its own terms of reference and scope of works with the Board and make the necessary adjustments, as required. The Board may, from time to time, may establish additional Committees if required.</p> <p>The key functions of each Committee established by PHNB as well as the membership and attendance at meetings during the current financial year are set out as follows:</p>

## RESIGNATION OF DIRECTOR

Director	Status	Date
Datuk Wong Tuck Wai	(Independent Non-Executive Director)	1 July 2022



<b>OTHER COMMITTEES</b>	The key functions of the other Committees established by PNB pursuant to the SLA dated 15 December 2021 are set out below:
<b>NOMINATION AND REMUNERATION COMMITTEE</b>	The primary functions of the Nomination & Remuneration Committee are to identify and recommend suitable candidates for appointment to the Board of PNB and Operating Subsidiary Companies, including PHNB. This Committee also identifies and recommends suitable candidates for appointment as Presidents/Managing Directors/Chief Executives of PNB and its Operating Subsidiaries Companies including PHNB. In selecting candidates, the Committee follows an established policy and process whereby it considers, amongst others, the integrity, skills, knowledge, and experience of the candidate.
<b>COMPLIANCE COMMITTEE</b>	This Committee was set up to ensure that there are proper supervision and effective compliance monitoring in place for the PNB Group to comply with the relevant laws, regulations, guidelines, licensing conditions and rules. The committee also assists the Board in discharging its responsibilities towards a bribe-free PNB by maintaining a good corporate governance and a high level of integrity. The Committee convenes quarterly to evaluate and review the findings of the compliance report and to make recommendations in respect thereof. The structure of the overall compliance functions of the PNB Group will be reviewed as and when it is deemed necessary.
<b>RISK MANAGEMENT COMMITTEE</b>	This Committee was set up primarily to provide oversight on the necessary implementations to be taken so as to ensure PNB Group's integrated and effective enterprise-wide risk management policies and frameworks including but not limited to the Enterprise Risk Management Framework ("ERM") and all other initiatives, workplan, framework relating thereto, as approved by the Board.
<b>APPEAL COMMITTEE</b>	The Appeal Committee's function is to hear appeals of staff members who are found guilty of misconduct and to determine whether sentences meted out by the Disciplinary Committee are commensurate with the respective misdeeds. The Committee also considers appeals from staff members pertaining to the determination of their salaries and promotions. There was no meeting held in 2021.
<b>TENDER COMMITTEE</b>	The Tender Committee assists the Board to consider tenders and quotations for all assets, supplies and services valued above RM2 million.

## DATO' JOHAN BIN ARIFFIN

No	Date	Training / Program Attended	Organisers/ Speakers
1.	9 Dec 2022	Cyber Security Awareness session for the Board of Directors (BODs) of PNB and ASN and Leadership Team (LT).	IT Security Department, Permodalan Nasional Berhad & Pricewaterhouse Coopers (PwC)
2.	24 Nov 2022	FIDE Forum : The Emerging Trends, Threats And Risks To The Financial Service Industry – Managing Global Risk, Investment And Payment System	FiDE Forum
3.	9 Nov 2022	PNB Knowledge Forum (PKF) III 2022 : Sustainability and the Way Forward – Creating Value in the Net Zero Transition	PNB
4.	21 Oct 2022	Takaful Boards Engagement (Shariah Compliance Culture) : Unlocking the Unique Corporate Value Proposition of Takaful, Ta'qwan and Tabarru' – The Roles of Takaful Board Members	Etiqa Group Shariah Committee, Etiqa Insurance & Takaful
5.	10 Aug 2022	PNB Knowledge Forum 2022 – Tall Buildings & Living In The Space Age : The Enigma & Convergence Of Science and Art	PNB
6.	5 Aug 2022	Directors' Training Program Module 3 - Investment	Etiqa Insurance & Takaful
7.	10 June 2022	ESG Initiative For Directors – Building A Wellbeing Economy (Lessons from Bhutan & Gross National Happiness (GNH) Centre Bhutan	Etiqa Insurance & Takaful
8.	8 June 2022	Maybank's Invest Asean 2022 : Framing A Future	Maybank IBG Corporate Access
9.	24 May 2022	Etiqa Board Risk Workshop	Etiqa Insurance & Takaful
10.	21 Apr 2022	PNB Knowledge Forum 2022 – Sustainable Investing ESG at the Forefront	PNB
11.	8 Apr 2022	MAHB Director Training Program Module 3 - Compliance	Etiqa Insurance & Takaful
12.	5 Apr 2022	PNB Integrity Talk 2022 – Section 17A MACC Act Corporate Liability, Adequate Procedures and ISO 37001 ABMS	PNB
13.	14 Mar 2022	Climate Risk Training Session for ESG	Maybank Berhad
14.	3 Mar 2022	Sustainability ESG Environmental Social & Governance by Datin Seri Sunita	Corporate Secretarial , Director Training Program Team (ETIQA)
15.	23 Feb 2022	From Connect21 To Impact24	Ageas Management Forum
16.	27 Jan 2022	BNM MyFintech Week 2022 – Masterclass with FIDE FORUM – Section A – Getting It Right: Securing Results from Digital Transformation - Section B – Web 3.0 and the future of finance - Section C – Deep dive into DeFi	Bank Negara Malaysia & FIDE Forum
17.	14 Jan 2022	JC3 Upskilling Sustainability Training Series – Measuring portfolio alignment to climate scenarios and climate transition stress testing (Day 2)	Joint Committee on Climate Change (JC3)
18.	13 Jan 2022	JC3 Upskilling Sustainability Training Series – Measuring portfolio alignment to climate scenarios and climate transition stress testing (Day 1)	

## ENCIK HAFIDZ ATRASH KOSAI BIN MOHD ZIHIM

No	Date	Training / Program Attended	Organisers/ Speakers
1.	15 Dec 2022	Project Viridis : Enterprise Mini Workshop	PNB
2.	14 Dec 2022	Online Briefing Session - PNB Group's Shariah Governance Framework (PNB SGF)	PNB
3.	9 Nov 2022	PNB Knowledge Forum (III) 2022	PNB
4.	18 Oct 2022	Forum: M-REITS and The Road Ahead	Malaysia REIT Managers Association
5.	13 Oct 2022	Majlis Dialog Suruhanjaya Pencegahan Rasuah Malaysia (SPRM) Bersama Permodalan Nasional Berhad (PNB)	SPRM
6.	19 Aug 2022	SiberSAFE Online Cybersecurity Awareness Training	PNB
7.	25 July 2022	Online Training: AML/CFT & TFS 2022 : Evolving Challenges & Expectations In Regulatory Compliance for Senior Management	Visioon Business Solutions Sdn Bhd
8.	5 July 2022	ONLINE TRAINING : Integrity Virtual Roadshow (IVR) 2022 - PNB Group Organisational Anti-Corruption Plan 2022	PNB
9.	9 May 2022	PNB ESG Framework	PNB
10.	22 April 2022	Malaysian Property Market Brief	Rahim & Co. International
11.	5 April 2022	ONLINE TRAINING : Section 17A MACC Act Corporate Liability, Adequate Procedures and ISO 37001 ABMS	Trident Integrity
12.	22 Mar 2022	ONLINE TRAINING - Keynote Session for iRAC Week 2022	PNB
13.	27 Jan 2022	ONLINE TRAINING : Ethics & Integrity, Professionalism and Corporate Dilemma	Securities Industry Development Corporation (SIDC)
14.	15 Jan 2022	Strata Property Survey (JMB / MC) Part 2	Skillgate Training Center (wholly owned by Anzal Property Management Sdn Bhd)
15.	8 Jan 2022	Strata Property Survey (JMB / MC) Part 1	

# DIRECTOR'S TRAINING

**PUAN ZAIDA KHALIDA BINTI SHAARI**

No	Date	Training / Program Attended	Organisers/ Speakers
1.	29 Nov – 1 Dec 2022	Global Green Finance Leadership Program: Scaling-up Sustainable Finance in Southeast Asia	World Bank Group Inclusive Growth & Sustainable Finance Hub in Malaysia & Institute of Finance and Sustainability (IFS)
2.	10 Nov 2022	Anti-Bribery and Anti-Corruption	AEON Co. (M) Berhad
3.	21 – 22 Oct 2022	Board Offsite Discussion - "MNRB Group Strategy Retreat"	MNRB Holdings Berhad ("MNRB")
4.	18 Oct 2022	Briefing on MFRS 17 Progress	MNRB
5.	12 Oct 2022	Risk Management in Technology (RMiT) Briefing	MNRB
6.	11 Oct 2022	GSC Engagement Session with the BOD -"Transcend MNRB Group to The Next Level of Takafu Innovation & Value Creation"	MNRB
7.	26 – 28 Sept 2022	International Directors Summit 2022	Institute of Corporate Directors Malaysia ("ICDM")
8.	8 Sept 2022	FCD Series Module C: Reputation and Crisis Management for Board	ICDM
9.	28 Jul 2022	Values as Source of Competitive Advantage	Asia School of Business
10.	7 Jul 2022	MNRB Group Directors Training - "Sustainability Awareness : Sustainability at Work"	MNRB
11.	29 Jun 2022	Knowledge Sharing Session-"Treaty Business, Underwriting Consideration and Action Taken to Address Recent Flood"	MNRB
12.	23 May 2022	Webinar: Recognising Challenges in Cyber Security	UEM Sunrise ("UEMS")
13.	14 Apr 2022	Knowledge Sharing Session - "MFRS9 Financial Instruments"	MNRB
14.	13 Apr 2022	Briefing for UEM Sunrise's Board, Top Management & Nominee Directors on the latest developments of Section 17A of the MACC Act 2009	UEMS
15.	7 Mar 2022	MNRB Group Directors Training-"Sustainability Awareness : Embracing Sustainable Future"	MNRB
16.	16 Feb 2022	Readiness of the Building Sector on Carbon Neutrality within Asia Pacific and the experience of Hong Kong on advancing Net Zero	UEMS
17.	19 Jan 2022	Agile Leadership Awareness Program	MNRB
18.	5 Jan 2022	Group Shariah Committee ("GSC") Engagement Forum with the Board of Directors - "Empowering Shariah Mind in Islamic Financial Institution"	MNRB



**DIRECTORS' RESPONSIBILITY STATEMENT****IN PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS**

The Board of Directors ("Directors") of Pelaburan Hartanah Nasional Berhad (PHNB), is responsible to ensure that the financial statements for the financial period ended 31 December 2022 have been prepared and drawn out in accordance with the applicable Financial Reporting Standards in Malaysia, applicable provisions of the Second Restated Deed dated 8 January 2021 and the Guidelines on Real Estate Investment Trusts issued by the Securities Commission Malaysia, so as to give a true and fair view of the financial position of PHNB as at 31 December 2022, and of its financial performance and cash flows for the year then ended.

In preparing the financial statements for the financial period ended 31 December 2022, the Directors have:

- adopted appropriate accounting policies and applied them consistently.
- made judgments and estimates that are reasonable and prudent.
- prepared the financial statements on a going concern basis.

**ANALYSIS OF UNIT HOLDINGS****BREAKDOWN OF UNIT HOLDINGS AS AT 31 DECEMBER 2022**

No. of Unit Holdings	Holdings	Total Holdings	Percentage of Unit Holdings (%)
-	Less than 100	-	-
-	100 – 1,000	-	-
-	1,001 – 10,000	-	-
-	10,001 – 100,000	-	-
-	100,001 to less than 5% of approved fund size	-	-
2	5% and above the approved fund size	174,593,955	100.00
<b>Total</b>		<b>174,593,955</b>	<b>100.00</b>

**UNIT HOLDERS AS AT 31 DECEMBER 2022**

Unitholder	Unit Held	Percentage of Untholdings (%)
AmanahRaya Trustees Berhad as trustee of AHP Amanah Saham Bumiputera	90,218,700	51.67
Ombak Real Estate Sdn Bhd	84,375,255	48.33
<b>Total</b>	<b>174,593,955</b>	<b>100.00</b>

# FINANCIAL STATEMENTS

## Page

19 Manager's Report

32 Statement by Manager

32 Statutory Declaration

33 Trustee's Report

34 Auditor Review Report

38 Statement of Comprehensive Income

41 Statement of Financial Position

43 Statement of Changes in Equity

44 Statement of Cash Flows

46 Notes to the Financial Statements

<b>CONTENTS</b>	<b>PAGE</b>
Manager's Report	19 - 31
Statement by Manager	32
Statutory Declaration	32
Trustee's Report	33
Independent Auditors' Report	34 - 37
Statement of Comprehensive Income	38 - 40
Statement of Financial Position	41 - 42
Statement of Changes in Equity	43
Statement of Cash Flows	44 - 45
Notes to the Financial Statements	46 - 85

## **AMANAH HARTA TANAH PNB**

### **MANAGER'S REPORT ON AMANAH HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2022**

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 2022.

#### **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. Pursuant to the Fourth Supplemental Trust Deed of AHP dated 15 January 2010, Amanah Raya Berhad retired in favour of AmanahRaya Trustees Berhad.

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.

On 13 August 2015, the Manager and the Trustee entered into the First Restated Deed which consolidated all amendments made to the Deed of Trust up to the date and which was subsequently amended by the First Supplemental Deed to the First Restated Deed dated 28 November 2019. The First Restated Deed was further amended by the Second Supplemental Deed dated 16 December 2020 in relation to the proposed conversion of AHP to an unlisted REIT by way of Selective Unit Redemption ("SUR"). The conversion was effective on 15 February 2021.

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.

## **AMANAH HARTA TANAH PNB**

### **MANAGER'S REPORT ON AMANAH HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D.)**

#### **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 2022 is 1% (2021: 1%) per annum of the daily net asset value of the Trust. The Manager is also entitled to an acquisition fee of 1% (2021: 1%) of the acquisition price and disposal fee of 0.5% (2021: 0.5%) of the disposal price upon the completion of such transactions as stipulated in the Deed of Trust.

No initial service charge, fee or commission has been earned by the Manager in managing the Trust other than the management fee of RM2,920,587 (2021: RM2,670,515). No acquisition fee being charged by the Manager in 2022 (2021: nil).

#### **TERM OF THE TRUST**

The Trust will continue its operations until such time as determined by the Trustee and the Manager.

#### **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.

## **AMANAH HARTA TANAH PNB**

### **MANAGER'S REPORT ON AMANAH HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D.)**

#### **INVESTMENT POLICY AND STRATEGY (CONT'D.)**

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.

#### **INVESTMENTS OF THE TRUST**

Total investments of the Trust as at 31 December 2022 was RM519,832,244 (2021: RM393,746,900).

#### **PERFORMANCE OF THE TRUST**

	<b>2022</b>	<b>2021</b>
Total net asset value (RM)	<u>302,558,331</u>	<u>277,490,124</u>
Units in circulation (units)	<u>174,593,955</u>	<u>174,593,955</u>
Net asset value per unit attributable to unit holders (sen)	<u>173.29</u>	<u>158.93</u>
NAV per unit (sen)	<u>173.29</u>	<u>158.93</u>
Highest NAV per unit (sen)	<u>178.93</u>	<u>161.18</u>
Lowest NAV per unit (sen)	<u>157.04</u>	<u>157.37</u>

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

## AMANAH HARTA TANAH PNB

### MANAGER'S REPORT ON AMANAH HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D.)

#### RESULTS OF THE OPERATIONS OF THE TRUST

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

	<b>RM</b>
Net income before taxation	53,080,209
Taxation	<u>(6,582,742)</u>
Net income after taxation	<u>46,497,467</u>

During the financial year, the Trust's net income before taxation increased by RM38,513,237 or 264.39% from RM14,566,972 to RM53,080,209. The increase in net income before taxation is mainly due to the gain on disposal of Bangunan AHP in June 2022.

In terms of net rental income, the Trust has recorded a decrease of RM3,229,233 or 11.05% from RM29,226,075 recorded in previous year. The Trust's total expenditure decreased by RM770,299 or 9.63% from RM8,000,061 in the last financial year to RM7,229,762 mainly due to the lower finance cost, following the repayment of Islamic Revolving Credit Facility of RM36,488,037 in the last quarter in 2021.

## **AMANAH HARTA TANAH PNB**

### **MANAGER'S REPORT ON AMANAH HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D.)**

#### **REVIEW OF THE PROPERTY MARKET**

##### Commercial

The transaction value for the commercial sector in 3Q 2022 shows an increment of 16.1% compared to the preceding quarter, with a total value of RM7.85 billion.

Property transactions for all sectors indicate a positive trend with double-digit q-on-q growth except for the industrial sector, which shows a decrease of 20.3% from the previous quarter. The recorded rebound in 3Q 2022 could be due to the normalisation of the economic activity in Malaysia as the country is moving toward endemicity.

However, when comparing y-o-y value, the commercial sector has not been performing very well as it recorded a slight downturn in transaction value by 1.4%, which is equivalent to RM0.11 billion. Meanwhile, the residential sector recorded a growth of 40.5% in 3Q 2022, with a total value of RM25.03 billion compared to RM17.82 billion in 3Q 2021. Furthermore, both agriculture and development land and others also display an increase in y-o-y value.

##### Office

The total occupied space in the office sector in Malaysia has slightly improved in 3Q 2022 compared to the previous quarter. There is an increment of 0.3% of the occupancy rate between 2Q 2022 and 3Q 2022 as businesses are recovering and the transition towards the endemic phase has resulted in more people returning to work in the office. There is also an upsurge in interest in co-working space establishments which require owners to take up more areas to be rented out.

The recorded rate, however, is still lower than the last quarter of 2021 as a result of the declining trend in the first half of 2022 due to less occupied space in the office sector compared to the existing stock. In Kuala Lumpur, the record shows that in 1H 2022, the existing stock has expanded by 6.96% compared to only a 6.76% increase in the total occupied space.

## **AMANAH HARTA TANAH PNB**

### **MANAGER'S REPORT ON AMANAH HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D.)**

#### **REVIEW OF THE PROPERTY MARKET (CONT'D.)**

##### Retail

The occupancy rate of the retail sector in Malaysia shows a gradual declining trend since 3Q 2021. This could be due to an imbalance of demand and supply in the retail market.

The existing supply of retail space in Malaysia has increased to 174 million square feet in 3Q22, a 3.4% increase from 3Q21 and a 0.5% increase from the preceding quarter, 3Q21. On the other hand, total occupied retail space in Malaysia has only improved by 1.5% y-o-y and decreased by 0.2% q-o-q.

As a result, the occupancy rate of retail space has reduced to 75.2% in 1Q 2022, the lowest recorded occupancy rate in five years.

##### Industrial

As industrial properties are typically on triple net leases or fully tenanted by single tenants, the number of overhang units reported by NAPIC would be the more relevant metric to assess the sector rather than occupancy rates.

The overhang situation for the industrial properties displays a healthy trend when much lower numbers of overhang units are recorded in the 3Q 2022.

Decreasing rate of the industrial overhang units to the total stock signifies that the demand for industrial assets is still strong. Also, the total stocks of the industrial assets exhibit an addition of less than one per cent (1%) y-o-y in 3Q 2022, which means that the supply of the industrial stocks are not so aggressive that avoids an oversupply situation.

## **AMANAH HARTA TANAH PNB**

### **MANAGER'S REPORT ON AMANAH HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D.)**

#### **PROSPECT**

##### Office

Incoming office supply in Malaysia has been on a declining trend, with the latest addition of 15.9 million square feet in 3Q, 2022 which is equivalent to 6.1% of the existing supply.

The downward supply trend of the office sector might be considered a positive view as the occupancy rate has increased. Furthermore, the demand for office space is expected to grow as more workers are required to work in the office and more organisations are firming up their physical workplace planning.

##### Retail

Incoming retail supply in Malaysia has recorded a slight decrease for the year 2022 with the latest addition of 8.5% to the existing supply of close to 16 million square feet in 3Q, 2022.

The decreasing trend might aid the health of the retail sector, however, as explained in the Property Market Review section, there is an imbalance of the existing supply and demand in which the supply of the retail areas exceeds the demand. This might be due to the shift in consumer buying behaviour caused by the Covid19 pandemic, coupled with the acceleration in digital transformation.

##### Industrial

Incoming industrial supply in Malaysia showed a drop in 3Q 2022 with 3.58% to the existing supply of 120,002 units compared to 3.86% to the existing supply of 119,551 units in 2Q 2022.

According to S&P Global Market Intelligence, the reduction was caused by muted demand conditions which led the manufacturers to reduce the production level. In spite of this, the demand in the industrial sector is still considered strong due to the decrease in overhang units

#### **RESERVES AND PROVISIONS**

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

## AMANAH HARTA TANAH PNB

### MANAGER'S REPORT ON AMANAH HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D.)

#### DISTRIBUTION OF INCOME

The distributions paid by the Trust since 31 December 2021:

In respect of the financial year ended 31 December 2021:

	Per Unit		Total	
	Gross Sen	Net of tax Sen	Gross RM	Net of tax RM
Final income distribution of 4.00 sen per unit payable paid on 28 February 2022	4.00	3.04	6,983,758	5,307,656

In respect of financial year ended 31 December 2022:

	Per Unit		Total	
	Gross Sen	Net of tax Sen	Gross RM	Net of tax RM
Interim income distribution of 4.15 sen per unit payable paid on 30 August 2022	4.15	3.27	7,245,649	5,715,804
Special income distribution of 5.96 sen per unit payable on 30 August 2022	5.96	5.96	10,405,800	10,405,800

## AMANAH HARTA TANAH PNB

### MANAGER'S REPORT ON AMANAH HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D.)

#### DISTRIBUTION OF INCOME (CONT'D.)

For the financial year ended 31 December 2022, a gross final income distribution of 5.48 sen a unit or net of tax of 4.62 sen per unit on unit in circulation of 174,593,955 units, amounting to RM9,570,542 (net of tax of RM8,066,241) to be paid on 28 February 2023, was approved by the Trustee and the Manager on 20 and 23 February 2023, respectively.

The 174,593,955 units represents the units in circulation after the completion of the SUR and capitalisation of advances from Ombak Real Estate Sdn Bhd ("ORE"). 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 2023.

The effect of the final income distributions in terms of the net asset value per unit attributable to unit holders as at 31 December 2022:

	<b>Before distribution sen</b>	<b>After distribution sen</b>
Net asset value per unit attributable to unit holders	173.29	168.67

#### BREAKDOWN OF UNITHOLDINGS

<b>Unit Class</b>	<b>Number of Unit holders</b>	<b>Percentage of Unit holders (%)</b>	<b>Number of Unitholdings</b>	<b>Percentage of Unitholdings (%)</b>
500,001 and above	2	100.00	174,593,955	100.00

## **AMANAH HARTA TANAH PNB**

### **MANAGER'S REPORT ON AMANAH HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D.)**

#### **DIRECTORS OF THE MANAGER**

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

Dato' Johan bin Ariffin

Encik Hafidz Atrash Kosai bin Mohd Zihim

Puan Zaida Khalida binti Shaari

Puan Roslina binti Abdul Rahman (Appointed on 2 February 2023)

Datuk Wong Tuck Wai (Resigned on 1 July 2022)

#### **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.

## **AMANAHA HARTA TANAH PNB**

### **MANAGER'S REPORT ON AMANAHA HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D.)**

#### **DIRECTORS' BENEFITS (CONT'D.)**

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**

None of the 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.

#### **DIRECTORS' INDEMNITY**

The Company has agreed to indemnify its directors as part of the terms of their appointment against claims by third parties. No payment has been made to indemnify the directors for the financial year ended 31 December 2022.

#### **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 adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

## **AMANAH HARTA TANAH PNB**

### **MANAGER'S REPORT ON AMANAH HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D.)**

#### **OTHER STATUTORY INFORMATION (CONT'D.)**

- (b) 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:
  - (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Trust 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.

## **AMANAH HARTA TANAH PNB**

### **MANAGER'S REPORT ON AMANAH HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D.)**

#### **OTHER STATUTORY INFORMATION (CONT'D.)**

- (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 to a variety of CSR programmes which include education, social and welfare programmes for members of the public.

#### **SIGNIFICANT EVENTS**

Significant events are disclosed in Note 32 of the financial statements.

#### **INDEMNIFICATION OF AUDITORS**

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

#### **AUDITORS AND AUDITORS' REMUNERATION**

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

The auditors' remuneration are disclosed in the statement of comprehensive income.

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 23 February 2023.

DATO' JOHAN BIN ARIFFIN

HAFIDZ ATRASH KOSAI BIN MOHD ZIHIM

Kuala Lumpur, Malaysia

## **AMANAHA HARTA TANAH PNB**

### **STATEMENT BY MANAGER**

We, DATO' JOHAN BIN ARIFFIN and HAFIDZ ATRASH KOSAI BIN MOHD ZIHIM, 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 38 to 85 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 AMANAHA HARTA TANAH PNB as at 31 December 2022 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 AMANAHA HARTA TANAH PNB, in accordance with a resolution of the directors dated 23 February 2023.

DATO' JOHAN BIN ARIFFIN

HAFIDZ ATRASH KOSAI BIN MOHD ZIHIM

Kuala Lumpur, Malaysia

### **STATUTORY DECLARATION**

I, DATO' MOHD NIZAM BIN ZAINORDIN, being the officer of the Manager primarily responsible for the financial management of AMANAHA HARTA TANAH PNB, do solemnly and sincerely declare that the accompanying financial statements set out on pages 38 to 85 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 23 February 2023

DATO' MOHD NIZAM BIN ZAINORDIN

Before me,

## **TRUSTEE'S REPORT**

For the Financial Year Ended 31 December 2022

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 2022. 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 31 December 2022.

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

ZAINUDIN BIN SUHAIMI  
Chief Executive Officer

Kuala Lumpur, Malaysia  
20 February 2023

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

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the financial statements of AMANAH HARTA TANAH PNB ("the Trust"), which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 38 to 85.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Trust as at 31 December 2022, 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.

#### *Basis of opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and other ethical responsibilities*

We are independent of the Trust in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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

### *Information other than the financial statements and auditors' report thereon*

The Manager of the Trust is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Trust and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements of the Trust, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Trust or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Manager of the Trust and take appropriate action.

### *Responsibilities of the Manager and the Trustees for the financial statements*

The Manager of the Trust is responsible for the preparation of financial statements of the Trust 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 of the Trust 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.

In preparing the financial statements of the Trust, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager intends to either liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

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

### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Trust as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards in Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards in Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Trust, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of the Trust or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Trust, including the disclosures, and whether the financial statements of the Trust represent the underlying transactions and events in a manner that achieves fair presentation.

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

### *Auditor's responsibilities for the audit of the financial statements (cont'd.)*

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the Trust for the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **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.

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

Dato' Megat Iskandar Shah bin Mohamad Nor  
No. 03083/07/2023 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
23 February 2023

**AMANA HARTA TANAH PNB****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 RM	2021 RM
<b>INCOME</b>			
Gross revenue			
- Realised		21,042,005	29,579,615
- Unrealised (unbilled rental income receivable)		6,710,420	6,311,091
	5	<u>27,752,425</u>	<u>35,890,706</u>
Less: Real estate operating expenditure	6	(1,754,801)	(6,662,343)
Depreciation		(782)	(2,288)
Net rental income		<u>25,996,842</u>	<u>29,226,075</u>
Interest income from deposits with financial institutions		2,820,133	251,342
Realised gain/(loss) on disposal of real estates		37,853,541	(181,718)
Unrealised loss on revaluation of real estates:			
- Fair value per valuation report	13	-	(417,575)
- Unbilled rental income receivable	13	(6,710,420)	(6,311,091)
Refund from Plaza Vads		349,875	-
		<u>60,309,971</u>	<u>22,567,033</u>
<b>EXPENSES</b>			
Management fee	7	(2,920,587)	(2,670,515)
Trustee's fee	8	(130,000)	(130,000)
Auditors' remuneration		(29,100)	(26,000)
Tax agent's fee		(8,141)	(8,144)
Valuation expenses		(34,980)	-
Printing, postage and general expenses		(42,462)	(377,611)
Writeback/(Provision for) impairment of trade receivables		252,083	(307,282)
Finance costs	9	(4,316,575)	(4,480,509)
		<u>(7,229,762)</u>	<u>(8,000,061)</u>
<b>NET INCOME BEFORE TAXATION</b>		<b>53,080,209</b>	<b>14,566,972</b>
<b>TAXATION</b>	10	<b>(6,582,742)</b>	<b>(3,624,365)</b>
<b>NET INCOME AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>46,497,467</u></b>	<b><u>10,942,607</u></b>

**AMANAHA HARTA TANAH PNB**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D.)**

	Note	2022 RM	2021 RM
<b>NET INCOME AFTER TAXATION IS MADE UP OF THE FOLLOWING:</b>			
Realised		46,497,467	11,318,425
Unrealised		-	(375,818)
		<u>46,497,467</u>	<u>10,942,607</u>
<b>EARNINGS PER UNIT (sen)</b>	11	<u>26.63</u>	<u>6.27</u>
<b>EARNINGS PER UNIT (BEFORE MANAGEMENT FEE) (sen)</b>			
- Gross of tax		<u>32.07</u>	<u>9.87</u>
- Net of tax		<u>28.30</u>	<u>7.80</u>
<b>NET INCOME DISTRIBUTION</b>	12		
Interim income distribution paid on 30 August 2022 (2021: paid on 30 August 2021)			
- Gross of tax		<u>7,245,649</u>	<u>6,983,758</u>
- Net of tax		<u>5,715,804</u>	<u>5,307,656</u>
Special income distribution payable on 30 August 2022 (2021: nil)			
- Gross/ net of tax		<u>10,405,800</u>	<u>-</u>
Final income distribution			
		<u>9,570,542</u>	<u>6,983,758</u>
		<u>8,066,241</u>	<u>5,307,656</u>
<b>INTERIM INCOME DISTRIBUTION PER UNIT (sen)</b>	12		
- Gross of tax		<u>4.15</u>	<u>4.00</u>
- Net of tax		<u>3.27</u>	<u>3.04</u>
<b>SPECIAL INCOME DISTRIBUTION PER UNIT (sen)</b>	12		
- Gross/net of tax		<u>5.96</u>	<u>-</u>

**AMANAH HARTA TANAH PNB**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D.)**

**FINAL INCOME DISTRIBUTION PER**

<b>UNIT (sen)</b>	<b>12</b>		
- Gross of tax		<u>5.48</u>	<u>4.00</u>
- Net of tax		<u>4.62</u>	<u>3.04</u>

\* Proposed final income distribution for the year ended 31 December 2022 based on 174,593,955 units.

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

## AMANAH HARTA TANAH PNB

### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	2022 RM	2021 RM
<b>INVESTMENTS</b>			
Real estates	13	425,761,264	255,520,374
Real estates - accrued rental income		49,206,791	42,529,886
Deposits with financial institutions	14	44,864,189	95,696,640
<b>TOTAL INVESTMENTS</b>		<u>519,832,244</u>	<u>393,746,900</u>
<b>OTHER ASSETS</b>			
Equipment, furniture and fittings	15	-	2,055
Trade receivables	16	1,618,980	6,091,235
Other receivables	17	11,076,603	13,181,885
Cash and bank balances		1,660,328	1,242,605
<b>TOTAL OTHER ASSETS</b>		<u>14,355,911</u>	<u>20,517,780</u>
<b>TOTAL ASSETS</b>		<u>534,188,155</u>	<u>414,264,680</u>
<b>LIABILITIES</b>			
Financing	18	221,750,000	125,000,000
Rental deposits	19	6,366,338	1,264,966
Other payables	20	2,360,128	6,538,128
Amount due to Manager	21	257,843	230,368
Deferred tax liability	22	895,515	3,741,094
<b>TOTAL LIABILITIES</b>		<u>231,629,824</u>	<u>136,774,556</u>
<b>FINANCED BY:</b>			
<b>UNIT HOLDERS' FUNDS</b>			
Unit holders' capital	23	219,594,967	219,594,967
Retained earnings		82,963,364	57,895,157
<b>TOTAL NET ASSET VALUE</b>		<u>302,558,331</u>	<u>277,490,124</u>
<b>ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>302,558,331</u>	<u>277,490,124</u>
<b>TOTAL UNIT HOLDERS' FUNDS AND</b>			
<b>LIABILITIES</b>		<u>534,188,155</u>	<u>414,264,680</u>

**AMANAH HARTA TANAH PNB**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022 (CONT'D.)**

	<b>Note</b>	<b>2022 RM</b>	<b>2021 RM</b>
<b>NUMBER OF UNITS IN CIRCULATION</b>	23	<u>174,593,955</u>	<u>174,593,955</u>
<b>NET ASSET VALUE ("NAV")</b>		<u>302,558,331</u>	<u>277,490,124</u>
<b>NAV (EX-DISTRIBUTION) PER UNIT</b>		<u>1.7329</u>	<u>1.5893</u>

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

**AMANA HARTA TANAH PNB**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

		<----- Retained Earnings ----->			
	Note	Unit Holders' Capital RM	Distributable Realised Income RM	Non- Distributable Unrealised Income RM	Total NAV Attributable to Unit Holders RM
<b>At 1 January 2021</b>		219,120,869	27,296,788	33,818,026	280,235,683
Total comprehensive income for the year		-	11,318,425	(375,818)	10,942,607
Selective Unit Redemption payment		(118,167,502)	(474,098)	-	(118,641,600)
Capitalisation of advances (new units)		118,641,600	-	-	118,641,600
Transfer to realised income on disposal of real estates		-	19,234,412	(19,234,412)	-
Income distribution: 12					
Final distribution					
- 31 December 2020		-	(8,380,510)	-	(8,380,510)
Interim distribution					
- 31 December 2021		-	(5,307,656)	-	(5,307,656)
<b>At 31 December 2021</b>		<u>219,594,967</u>	<u>43,687,361</u>	<u>14,207,796</u>	<u>277,490,124</u>
<b>At 1 January 2022</b>		219,594,967	43,687,361	14,207,796	277,490,124
Total comprehensive income for the year		-	46,497,467	-	46,497,467
Transfer to realised income on disposal of real estates		-	5,252,651	(5,252,651)	-
Income distribution: 12					
Final distribution					
- 31 December 2021		-	(5,307,656)	-	(5,307,656)
Interim distribution					
- 31 December 2022		-	(16,121,604)	-	(16,121,604)
<b>At 31 December 2022</b>		<u>219,594,967</u>	<u>74,008,219</u>	<u>8,955,145</u>	<u>302,558,331</u>

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

## AMANAH HARTA TANAH PNB

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income before taxation	53,080,209	14,566,972
Adjustments for:		
Depreciation	782	2,288
Unrealised loss on revaluation of real estate:		
Fair value per valuation report and unbilled rental income receivable	6,710,420	6,728,666
Realised (gain)/loss on disposal of real estates	(37,853,541)	181,718
Interest income from deposits with financial institutions	(2,820,133)	(251,342)
Other income	(349,875)	-
Unrealised unbilled rental income receivable	(6,710,420)	(6,311,091)
(Writeback)/Provision for impairment of trade receivables	(252,083)	307,282
Adjustment of SUR movement to retained earning	-	(474,098)
Finance costs	4,316,575	4,480,509
Operating profit before working capital changes	16,121,934	19,230,904
Increase in receivables	(4,368,950)	(16,728,379)
(Decrease)/increase in other payables	(4,178,000)	3,852,826
Increase/(decrease) in rental deposits	5,101,372	(3,805,694)
Increase/(decrease) in amount due to the Manager	27,475	(8,090)
Net cash generated from operating activities	<u>12,703,831</u>	<u>2,541,567</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments in completed real estates	(222,968,056)	(1,720,198)
Cost incurred for disposal of real estates	(1,652,174)	(144,000)
Proceed from disposal of real estates	86,000,000	137,300,000
Interest received	2,844,966	208,391
Net cash (used in)/generated from investing activities	<u>(135,775,264)</u>	<u>135,644,193</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown from financing	96,750,000	-
Financing costs paid	(3,987,223)	(4,742,088)
Financing principal paid	-	(36,488,037)
Payment of income distributions	(21,429,260)	(13,688,166)
Payment of capital to unitholder	-	(118,167,502)
Capitalisation of SUR	-	118,641,600
Net cash generated from/(used in) financing activities	<u>71,333,517</u>	<u>(54,444,193)</u>

**AMANAH HARTA TANAH PNB****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D.)**

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(51,737,916)	83,741,567
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<u>95,354,881</u>	<u>11,613,314</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<u>43,616,965</u>	<u>95,354,881</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	1,660,328	1,242,605
Deposits with financial institutions (Note 14)	<u>44,864,189</u>	<u>95,696,640</u>
	46,524,517	96,939,245
Deposits restricted (Note 14)	(400,000)	(196,864)
Financial service reserve account (Note 14)	<u>(2,507,552)</u>	<u>(1,387,500)</u>
Cash and cash equivalents	<u>43,616,965</u>	<u>95,354,881</u>

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

## **AMANAH HARTA TANAH PNB**

### **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022**

#### **1. 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. Pursuant to the Fourth Supplemental Trust Deed of AHP dated 15 January 2010, Amanah Raya Berhad retired in favour of AmanahRaya Trustees Berhad.

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.

On 13 August 2015, the Manager and the Trustee entered into the First Restated Deed which consolidated all amendments made to the Deed of Trust up to the date and which was subsequently amended by the First Supplemental Deed to the First Restated Deed dated 28 November 2019. The First Restated Deed was further amended by the Second Supplemental Deed dated 16 December 2020 in relation to the proposed conversion of AHP to an unlisted REIT by way of Selective Unit Redemption ("SUR").

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.

#### **2. TERM OF THE TRUST**

The Trust will continue its operations until such time as determined by the Trustee and the Manager.

## **AMANAH HARTA TANAH PNB**

### **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022**

#### **3. SIGNIFICANT ACCOUNTING POLICIES**

##### **3.1 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 estates which are stated at fair value.

The Trust presents its statement of financial position in order of liquidity. An analysis regarding the recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the notes to financial statements.

The financial statements are presented in Ringgit Malayisa ("RM") which is also the functional currency of the Trust.

##### **3.2 Changes in accounting policies**

The new and revised MFRSs and IC Interpretations which are mandatory for companies with financial period beginning on or after 1 January 2021 do not give rise to any significant effects on the financial statements of the Company.

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

##### 3.3 Standards issued but not yet effective

The following are standards issued but not yet effective up to the date of issuance of the Trust's financial statements.

<b>MFRS and Amendments to MFRS</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 101 - <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 - <i>Definition of accounting estimates</i>	1 January 2023
MFRS 17 - <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 - <i>Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 112 - <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 16 Leases - <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 - <i>Classification of Liabilities as Current or Non Current</i>	1 January 2024
Amendments to MFRS 101 - <i>Non-current liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128 - <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Company plans to adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are expected to have no significant impact to the financial statements of the Company upon their initial application.

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

##### 3.4 Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

###### (i) Financial assets

Financial assets are classified, at initial recognition, as either:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through other comprehensive income ("FVTOCI") with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at fair value through profit or loss ("FVTPL").

With the exception of trade receivables that do not contain a significant financing components, the Trust initially measures a financial asset at its fair value plus, in the case of financial assets not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

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

All the financial assets of the Trust as at year end are carried at amortised cost.

###### Financial assets at amortised cost (debt instruments)

The Trust measures financial assets at amortised cost if both of the following conditions are met:

- The financial assets is held within a business model with the objective to hold the financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Debt instruments that do not meet the criteria above are classified as either FVTPL or FVTOCI.

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

**3.4 Financial instruments - initial recognition and subsequent measurement (cont'd.)**

**(i) Financial assets (cont'd.)**

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

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired.

**(ii) Financial liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL or amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

All financial liabilities of the Trust are subsequently measured at amortised cost using the effective interest method. Liabilities are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

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

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

**3.5 Financial assets - impairment**

Impairment on financial assets is computed based on expected credit losses (“ECL”) model. The ECL model requires impairment to be recognised on initial recognition including expected future credit losses. The impairment requirements apply to all debt instruments not held at FVTPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash clauses that the Trust expects to receive, discounted at an approximation of the original effective interest rate.

For debt instruments measured at amortised cost with no significant financing component, the Trust applies a simplified approach in calculating ECLs. Therefore, the Trust does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The assessment of credit risk, as well as the estimation of ECL, are required to be unbiased, probability-weighted and should incorporate all available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL should also take into account the time value of money.

The Trust uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

For deposits with financial institutions, ECL is measured based on historical observed loss rates on placements made with the counter parties.

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

**3.6 Income Recognition**

**(i) Rental income**

Rental income arising from operating leases on real estates is accounted for on a straight-line basis over the lease terms. Hence, contractual increase in rental rates over the fixed tenure of the lease agreement and unrealised rental income relating to the unbilled rental income receivable are also included in the rental income for the

**(ii) Maintenance charges**

Revenue from maintenance charges is recognised over time as the tenant continuously receives benefits when the Trust, via the Manager, performs its obligations of maintaining the rented properties during the tenancy period.

**(iii) Other income**

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

**3.7 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. 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	10 - 20%
Furniture and fittings	20%
Computer equipment	25%

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

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

**3.8 Real Estates**

Real estates 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 estates 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.

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.

**3.9 Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

**(i) The Trust as a lessor**

Leases in which the Trust does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## **AMANAH HARTA TANAH PNB**

### **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022**

#### **3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

##### **3.10 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.

##### **3.11 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.

##### **3.12 Unit holders' 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.

##### **3.13 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.

##### **3.14 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.

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

**3.14 Taxation (cont'd.)**

**(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

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 estates at the prevailing Real Property Gains Tax rate based on the presumption of realisation through eventual sale of the real estates.

**3.15 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

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

##### 3.16 Fair Value Measurement

The Trust measures its financial assets at fair value at each reporting date.

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

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Trust.

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

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

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or
- Level 2: Inputs that are based on observable market data, either directly or indirectly.
- Level 3: Inputs that are not based on observable market data.

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

## **AMANAH HARTA TANAH PNB**

### **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022**

#### **4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of the financial statements requires management 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. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustments to the carrying amount of the asset or liability affected in the future.

##### **4.1 Estimates and Assumptions**

The key assumptions concerning future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Trust based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future rental rates, however, may change due to market changes or circumstances arising that are beyond the control of the Trust. Such changes are reflected in the assumptions when they occur.

##### **(i) Valuation of real estates**

There are significant judgements involved in the valuation of real estates as the valuation of real estates are derived from various valuation models and assumptions. The details of the valuation and key assumptions are disclosed in Note 13 and Note 29 to the financial statements.

##### **(ii) Maintenance charges**

Maintenance charges that are recognised as a separate performance obligation from rental income is derived based on market rate. The estimate was made based on references from professional valuers on comparable properties. The details are disclosed in Note 5 to the financial statements.

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 5. GROSS REVENUE

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Realised:		
Gross rental income	20,233,262	28,580,334
Rental waiver (Note 33 (b))	-	(3,480,493)
Realised rental income	<u>20,233,262</u>	<u>25,099,841</u>
Maintenance charges (a)	<u>808,743</u>	<u>4,479,774</u>
	<u>21,042,005</u>	<u>29,579,615</u>
Unrealised:		
Unbilled rental income receivables	<u>6,710,420</u>	<u>6,311,091</u>
	<u>27,752,425</u>	<u>35,890,706</u>

(a) Revenue from maintenance charges is recognised when the performance obligations are satisfied. The amount recognised is based on estimated comparable market rate.

#### 6. REAL ESTATE OPERATING EXPENDITURE

Included in the amounts are the following:

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Maintenance, repairs and improvements expenses	385,801	2,622,397
Assessment	118,951	859,492
Quit rent	13,333	49,214
Utilities	695,458	2,189,251
Others	501,084	758,185
Property Manager's fee*	40,174	183,804
	<u>1,754,801</u>	<u>6,662,343</u>

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 6. REAL ESTATE OPERATING EXPENDITURE (CONT'D.)

- \* The Property Manager, I.M Global Building Services Sdn Bhd ("IMG") (2021: IMG), is entitled to a property management fee in respect of the maintenance of the real estates 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 2022 is 1% (2021: 1%) per annum of the daily NAV of the Trust.

The Manager is also entitled to an acquisition fee of 1% (2021: 1%) of the acquisition price and disposal fee of 0.5% (2021: 0.5%) of the disposal price upon the completion of such transactions as stipulated in the Deed of Trust.

#### 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 2022 is RM130,000 (2021: RM130,000).

#### 9. FINANCE COSTS

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Islamic Revolving Credit Facility (i-RC)	-	854,207
Islamic Term Loan (i-TL)	4,316,575	3,626,302
	<u>4,316,575</u>	<u>4,480,509</u>

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 10. TAXATION

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Income tax:		
Tax expense during the year	3,033,688	3,666,122
Real property gains tax	6,394,633	-
Deferred tax (Note 22):		
Relating to origination and reversal of temporary differences	(2,845,579)	(41,757)
	<u>6,582,742</u>	<u>3,624,365</u>

Effective year of assessment 2017, unit trust in section 61A of the Income Tax Act 1967, a unit trust which is approved by the SC as a REIT/PTF and listed on Bursa Malaysia. This means that a REIT/PTF which is listed on Bursa Malaysia is fully exempt from tax for a year of assessment, if it distributes 90% or more of its total income to its unit holders in the basis period for that year of assessment. A REIT/PTF that is not listed on Bursa Malaysia would not enjoy any exemption from tax for a year of assessment, even if it distributes 90% or more of its total income to its unit holders, in the basis period for that year of assessment.

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:

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Net income before taxation	<u>53,080,209</u>	<u>14,566,972</u>
Taxation at Malaysia statutory tax rate of 24% (2021: 24%)	12,739,250	3,496,073
Effect of income not subject to tax	(11,372,183)	83,508
Expenses not deductible for tax purposes	1,667,249	86,541
Utilisation of current year capital allowances	(628)	-
Effect of deferred tax recognised at RPGT rate	-	(41,757)
Real property gains tax	6,394,633	-
Reversal of RPGT due to disposal of properties	(2,845,579)	-
Tax expense/(credit) for the year	<u>6,582,742</u>	<u>3,624,365</u>

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 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 RM46,497,467 (2021: RM10,942,607) by the number of units in circulation as at the statement of financial position date of 174,593,955 (2021: 174,593,955).

#### 12. INCOME DISTRIBUTION

	2022		2021	
	Gross RM	Net RM	Gross RM	Net RM
Interim income distribution of 4.15 sen (net of tax at 3.27 sen) per unit paid on 30 August 2022 (2021: 4.00 sen (net of tax of 3.04 sen) unit paid on 30 August 2021))	7,245,649	5,715,804	6,983,758	5,307,656
Special income distribution of 5.96 sen per unit payable on 30 August 2022 (2021: nil)	10,405,800	10,405,800	-	-
Final income distribution of 5.48 sen (net of tax at 4.62 sen) per unit payable on 28 February 2023 (2021: 4.00 sen (net of tax at 3.04 sen) unit paid on 28 February 2022)	9,570,542	8,066,241	6,983,758	5,307,656
Total distribution for the year	<u>27,221,991</u>	<u>24,187,845</u>	<u>13,967,516</u>	<u>10,615,312</u>

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 12. INCOME DISTRIBUTION (CONT'D.)

##### Sources of Distribution

Distribution to unit holders is from the following sources:

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Net rental income (excluding unrealised unbilled rental income receivable)	19,249,866	21,716,235
Interest income from deposits with financial institutions	2,820,133	251,342
Realised gain on disposal of real estate	12,381,754	-
	<u>34,451,753</u>	<u>21,967,577</u>
Less: Expenses	<u>(7,229,762)</u>	<u>(8,000,061)</u>
Total distribution	<u>27,221,991</u>	<u>13,967,516</u>
Gross interim income distribution per unit (sen)	<u>4.15</u>	<u>4.00</u>
Net interim income distribution per unit (sen)	<u>3.27</u>	<u>3.04</u>
Gross/net special income distribution per unit (sen)	<u>5.96</u>	<u>-</u>
Gross proposed final income distribution per unit (sen)	<u>5.48</u>	<u>4.00</u>
Net proposed final income distribution per unit (sen)	<u>4.62</u>	<u>3.04</u>
Gross total income distribution per unit (sen)	<u>15.59</u>	<u>8.00</u>
Net total income distribution per unit (sen)	<u>13.85</u>	<u>6.08</u>
Gross interim income distribution	<u>7,245,649</u>	<u>6,983,758</u>
Net interim income distribution	<u>5,715,804</u>	<u>5,307,656</u>
Gross/net special income distribution	<u>10,405,800</u>	<u>-</u>
Gross proposed final income distribution	<u>9,570,542</u>	<u>6,983,758</u>
Net proposed final income distribution	<u>8,066,241</u>	<u>5,307,656</u>
Gross total income distribution	<u>27,221,991</u>	<u>13,967,516</u>
Net total income distribution	<u>24,187,845</u>	<u>10,615,312</u>

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 12. INCOME DISTRIBUTION (CONT'D.)

For the financial year ended 31 December 2022, a gross final income distribution of 5.48 sen a unit or net of tax of 4.62 sen per unit on unit in circulation of 174,593,955 units, amounting to RM9,570,542 (net of tax of RM8,066,241) to be paid on 28 February 2023, was approved by the Trustee and the Manager on 20 and 23 February 2023, respectively. The 174,593,955 units represents the units in circulation after the completion of the SUR and capitalisation of advances from Ombak Real Estate Sdn Bhd ("ORE"). 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 2023.

#### 13. REAL ESTATES

	<b>Completed real estates at fair value RM</b>
<b>At 31 December 2022</b>	
At 1 January 2022	255,520,374
Addition	222,968,056
Disposals	(46,016,746)
Fair value per valuation report	-
Unbilled rental income receivable	(6,710,420)
At 31 December 2022	<u>425,761,264</u>
	-
<b>At 31 December 2021</b>	
At 1 January 2021	397,234,652
Addition	1,550,260
Disposals	(136,535,872)
Fair value per valuation report	(417,575)
Unbilled rental income receivable	(6,311,091)
At 31 December 2021	<u>255,520,374</u>

#### Valuation of real estates

Real estates are stated at fair value, which has been determined based on valuations as at reporting date. Valuations are performed by accredited independent valuers with recent experience in the location and category of properties being valued. The valuations are based on the comparison and investment method that makes reference to estimated market rental values and equivalent yields.

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 13. REAL ESTATES (CONT'D.)

##### Properties pledged as security

Certain real estates of the Trust amounting to RM221,750,000 are pledged against financing facilities.

The real estates are expected to be recovered after more than 12 months.

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

<b>Description of Real Estate</b>	<b>Tenure</b>	<b>Date of Acquisition</b>	<b>Cost of Acquisition and Additions RM</b>	<b>Fair Value* RM</b>
Mydin Seremban 2 Seremban Negeri Sembilan*	Perpetuity	27/04/2015	243,044,855	202,793,209
Mydin MITC Melaka	Leasehold	23/12/2022	142,720,075	142,720,075
Lotus's Kajang Selangor	Freehold	30/12/2022	80,247,980	80,247,980
			<b>466,012,910</b>	<b>425,761,264</b>

\* Fair values as at 31 December 2022 is determined based on valuation dated 1 December 2022 by an independent firm of professional valuers by using the comparison and investment method of valuation in accordance with the Malaysian Valuation Standards.

AHP's real estates have managed to maintain its occupancy and rental rates. However, the market will be more challenging in the next few years.

Further details of the valuation method is provided in Note 29 of the financial statements.

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 13. REAL ESTATES (CONT'D.)

All the real estates were valued by the following valuers:

<b>Name of Firm</b>	<b>Name of Valuers and Qualification</b>
W M Malik & Kamaruzaman Sdn. Bhd.	Sr. Kamaruzaman bin Jamil BSc (Hons) Land Administration (North East London Polytechnic) F.R.I.S.M., P.E.P.S., B.V.A.M. Registered Valuer - V272

\*\* The fair values per valuation report for Mydin Seremban 2, Plaza VADS and Bangunan AHP have been adjusted for the accrued rental income receivables as follows:

	<b>Per valuation report</b>	<b>Accrued rental income</b>	<b>Addition after valuation</b>	<b>Real estate fair value</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>At 31 December 2022</b>				
Mydin Seremban 2	252,000,000	(49,206,791)	-	202,793,209
Mydin Melaka	142,000,000	-	720,075	142,720,075
Lotus's Kajang	79,900,000	-	347,980	80,247,980
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2021</b>				
Mydin Seremban 2	252,000,000	(42,462,856)	-	209,537,144
Bangunan AHP	44,500,000	(67,030)	1,550,260	45,983,230
	<hr/>	<hr/>	<hr/>	<hr/>

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 14. DEPOSITS WITH FINANCIAL INSTITUTIONS

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Fixed deposits	400,000	196,864
Islamic instruments	44,464,189	95,499,776
Total deposits with financial institutions	<u>44,864,189</u>	<u>95,696,640</u>

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

	<b>2022</b>		<b>2021</b>	
	<b>WAEIPR</b>	<b>Average</b>	<b>WAEIPR</b>	<b>Average</b>
	<b>(% p.a.)</b>	<b>Maturity</b>	<b>(% p.a.)</b>	<b>Maturity</b>
		<b>(Days)</b>		<b>(Days)</b>
Licensed banks	<u>3.85</u>	<u>29</u>	<u>2.06</u>	<u>15</u>

Included within deposits with financial institutions are balances with maturity of less than 90 days amounting to RM44,864,189 (2021: RM95,696,640).

The Islamic instruments include amounts held in Financial Service Reserve Account for the Islamic Term Loan as disclosed in Note 18 (b) amounting to RM2,507,552 (2021: RM1,387,500).

Fixed deposits include an amount of RM400,000 (2021: RM196,864) pledged as Bank Guarantee with a financial institution for Tenaga Nasional Berhad in relation to electricity deposit for future properties.

**AMANAH HARTA TANAH PNB**

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022**

**15. EQUIPMENT, FURNITURE AND FITTINGS**

	<b>Equipment RM</b>	<b>Furniture and Fittings RM</b>	<b>Computer Equipment RM</b>	<b>Total RM</b>
<b>Cost</b>				
At 1 January 2021/				
31 December 2021/	70,163	54,745	24,301	149,209
Disposal	(70,163)	(54,745)	(24,301)	(149,209)
As at 31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Accumulated Depreciation</b>				
At 1 January 2021	65,851	54,724	24,291	144,866
Charge for the year	2,288	-	-	2,288
At 31 December 2021	<u>68,139</u>	<u>54,724</u>	<u>24,291</u>	<u>147,154</u>
At 1 January 2022	68,139	54,724	24,291	147,154
Charge for the year	782	-	-	782
Disposal	(68,921)	(54,724)	(24,291)	(147,936)
At 31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Book Value</b>				
At 31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2021	<u>2,024</u>	<u>21</u>	<u>10</u>	<u>2,055</u>
Depreciation charge for 2022	<u>782</u>	<u>-</u>	<u>-</u>	<u>782</u>
Depreciation charge for 2021	<u>2,288</u>	<u>-</u>	<u>-</u>	<u>2,288</u>

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 16. TRADE RECEIVABLES

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Gross trade receivables	1,635,795	6,398,517
Less: Impairment of trade receivables	(16,815)	(307,282)
Net trade receivables	<u>1,618,980</u>	<u>6,091,235</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:

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Neither past due nor impaired	32,616	196,112
31 to 60 days past due not impaired	-	176,641
61 to 90 days past due not impaired	43	194,511
91 to 120 days past due not impaired	1,603,135	730,142
More than 121 days past due not impaired	-	5,101,111
	<u>1,635,795</u>	<u>6,398,517</u>
Impaired	(16,815)	(307,282)
	<u>1,618,980</u>	<u>6,091,235</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.

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 16. TRADE RECEIVABLES (CONT'D.)

##### Receivables that are past due but not impaired

The Trust has trade receivables amounting to RM1,603,178 (2021: RM6,202,405) that are past due at the reporting date. These balances are expected to be collected in the next 12 months.

As at 31 December 2022, 95% of trade receivables is concentrated on rental outstanding from Mydin Seremban 2 (2021: 83%). The risk is mitigated by ensuring that any amount outstanding is covered by the rental deposit and bank guarantee.

#### 17. OTHER RECEIVABLES

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Interest	30,361	55,194
Deposits	415,784	415,783
Prepayments	865,569	650,900
Stamping fees	26,292	-
Amount due from PNB	3,654,413	1,199,523
Amount due from PNB Commercial Sdn Bhd	3,033,333	
Deposit for property acquisition and disposal	484	10,860,485
Amount due from IRB	3,050,367	-
	<u>11,076,603</u>	<u>13,181,885</u>

#### 18. FINANCING

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Islamic Term Loan (i-TL)	125,000,000	125,000,000
Commodity Murabahah term financing i-3 (CMi-3)	56,800,000	-
Term financing-i facility (TF-i)	39,950,000	-
	<u>221,750,000</u>	<u>125,000,000</u>

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 18. FINANCING (CONT'D.)

##### (a) Islamic term loan (i-TL)

The i-TL is to finance the purchase of Mydin Seremban 2. The facility is secured by a first party legal charge over Mydin Seremban 2. The facility requires a Financial Service Reserve Account to be maintained throughout the facility tenure as disclosed in Note 14 to the financial statements.

The financing bears profit rate of 2.91% to 4.60% (2021: 2.90% to 2.91%) per annum, and will mature on 13 September 2026.

##### (b) Commodity Murabahah term financing i-3 (CMi-3)

The CMi-3 is to finance the purchase of Mydin Melaka. The facility is secured by a first party legal charge over Mydin Melaka. The facility requires a Financial Service Reserve Account to be maintained throughout the facility tenure as disclosed in Note 14 to the financial statements.

The financing bears profit rate of 4.61% (2021: nil) per annum, and will mature on 23 December 2025.

##### (c) Term financing-i facility (TF-i)

The TF-i is to finance the purchase of Lotuss Kajang. The facility is secured by a first party legal charge over Lotus's Kajang. The facility requires a Financial Payment Reserve Account to be maintained throughout the facility tenure as disclosed in Note 14 to the financial statements.

The financing bears profit rate of 4.61% (2021: nil) per annum, and will mature on 25 November 2025.

#### 19. RENTAL DEPOSITS

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Payable after 12 months	6,366,338	1,264,966
	<u>6,366,338</u>	<u>1,264,966</u>

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 20. OTHER PAYABLES

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Financing costs payable	673,287	378,699
Sundry payables	1,134,385	1,422,489
Provision for property expenditure	552,456	1,592,286
Amount due to PNB	-	3,144,654
	<u>2,360,128</u>	<u>6,538,128</u>

The amount due to PNB is in respect of the rental deposits from the tenants at Plaza VADS which are payable to PNB as the new vendor.

#### 21. AMOUNT DUE TO MANAGER

The amount due to Manager is in respect of management fee, and is unsecured, interest free and repayable on demand.

#### 22. DEFERRED TAX LIABILITY

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
At 1 January	3,741,094	3,782,851
Recognised in profit or loss	-	(41,757)
Reversal on disposal of real estates	(2,845,579)	-
At 31 December	<u>895,515</u>	<u>3,741,094</u>

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

The deferred tax liability is expected to be settled after more than 12 months.

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 23. UNITS HOLDERS' CAPITAL

	Number of Units		Amount	
	2022 Units	2021 Units	2022 Units	2021 RM
Issued and fully paid:				
At beginning and end of the year	174,593,955	174,593,955	219,594,967	219,594,967

As at 31 December 2022, the Manager did not hold any unit in the Trust.

#### 24. RELATED PARTY DISCLOSURES

	2022 RM	2021 RM
Permodalan Nasional Berhad ("PNB"), the parent company of PHNB		
- Amount due from PNB (Note 17)	3,654,413	1,199,523
- Amount due to PNB (Note 20)	-	3,144,654
	<hr/>	<hr/>
PNB Commercial Sdn Bhd ("PNBC"), a wholly-owned subsidiary of PNB		
- Amount due from PNB (Note 17)	3,033,333	-
	<hr/>	<hr/>

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 25. PORTFOLIO TURNOVER RATIO

	<b>2022</b>	<b>2021</b>
Portfolio Turnover Ratio ("PTR")	<u>1.32 times</u>	<u>1.29 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 unit trusts which use different basis of calculation may not be an accurate comparison.

#### 26. MANAGEMENT EXPENSE RATIO

	<b>2022</b>	<b>2021</b>
Management Expense Ratio ("MER")	<u>1.00%</u>	<u>1.26%</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 unit trusts which use different basis of calculation may not be an accurate comparison.

#### 27. 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.

## **AMANAH HARTA TANAH PNB**

### **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022**

#### **28. FINANCIAL INSTRUMENTS**

##### **(a) Classification of financial instruments**

The Trust's financial assets and financial liabilities are measured on an ongoing basis at amortised cost. The significant accounting policies in Note 3.4 and Note 3.6 describe how the classes of financial instruments are measured, and how income and expenses are recognised. All financial assets and liabilities of the Trust in the statement of financial position as at 31 December 2022 are carried at amortised cost.

#### **29. FAIR VALUE HIERARCHY**

##### **(a) Fair value information**

Fair value of real estates is classified as Level 3 fair value.

##### **(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.

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 29. FAIR VALUE HIERARCHY (CONT'D.)

##### (b) Policy on transfer between levels (cont'd.)

###### 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.

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

##### (c) 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:

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
At 1 January	255,520,374	397,234,652
Addition	222,968,056	1,550,260
Disposal	(46,016,746)	(136,535,872)
Fair value per valuation report	-	(417,575)
Unbilled rental income receivable	(6,710,420)	(6,311,091)
At 31 December	<u>425,761,264</u>	<u>255,520,374</u>

The fair value of real estates 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.

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 29. FAIR VALUE HIERARCHY (CONT'D.)

##### (c) Level 3 fair value (cont'd.)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Range		Inter-relationship between significant unobservable inputs and fair value measurement
		2022	2021	
Investment method (refer below)	<b>Office:</b>			The estimated fair value would increase/(decrease) if:
	Market rental rate (RM/psf/month)			
	- Term	0.80 - 6.20	0.80 - 6.20	- expected market rental growth was higher/(lower)
	- Reversion	3.60 - 6.50	3.60 - 6.50	- expected market rental growth was higher/(lower)
	Outgoings (RM/psf/month)			
	- Term	1.60 - 1.80	1.60 - 1.80	- expected inflation rate was lower/(higher)
	- Reversion	1.60 - 1.85	1.60 - 1.85	- expected inflation rate was lower/(higher)
	Void rate (%)	10.00	10.00	- void rate was lower/(higher)
	Term yield (%)	5.50	5.50	- term yield rate was lower/(higher)
	Reversionary yield (%)	6.00	6.00	- reversionary yield rate was lower/(higher)
	Discount rate (%)	5.50	5.50	- discount yield rate was lower/(higher)
	<b>Retail:</b>			
	Market rental rate (RM/psf/month)			
	- Term	3.58 - 7.67	3.58 - 7.67	- expected market rental growth was higher/(lower)
	- Reversion	2.50	2.50	- expected market rental growth was higher/(lower)
	Outgoings (RM/psf/month)			
	- Term	0.18	0.18	- expected inflation rate was lower/(higher)
	- Reversion	1.82	1.82	- expected inflation rate was lower/(higher)
	Void rate (%)	30.00	30.00	- void rate was lower/(higher)
	Term yield (%)	8.00	8.00	- term yield rate was lower/(higher)
	Reversionary yield (%)	7.00	7.00	- reversionary yield rate was lower/(higher)
	Discount rate (%)	8.00	8.00	- discount yield rate was lower/(higher)

Investment method entails the capitalisation of the net rent from a real estate. Net rent is the residue of gross annual rent less annual expenses (outgoing) required to sustain the rent with allowance for void and management fees.

## **AMANAH HARTA TANAH PNB**

### **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022**

#### **30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

##### **(a) Introduction**

The Trust's exposure to financial instruments arise from its receivables, deposits with financial institutions, cash and bank balances, financing and other liabilities.

The Trust is exposed to a variety of risks including interest rate 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 managing 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 managing 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.

**30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

**(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 Deed of Trust, and the Securities Commission's Guidelines on Listed 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 Deed of Trust and Securities Commission's Guidelines on Listed Real Estate Investment Trusts limits the Trust's exposure to a single entity/industry sector to a certain percentage of its NAV.

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

##### (f) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in interest rates. The maximum risk resulting from financial instruments equals their fair value.

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. The Trust's term financing carries floating rate of Cost of Fund (COF) + 0.60% per annum.

##### 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.

	<b>Changes in basis points *</b>	<b>Sensitivity of interest income and profit Increase/ (Decrease) RM</b>
<b>2022</b>		
Deposits with financial institutions	+25 / -25	112,160 / (112,160)
Financing	-25 / +25	554,375 / (554,375)
		<hr/>

**AMANAH HARTA TANAH PNB**

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022**

**30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

**(f) Interest rate risk (cont'd.)**

**Interest rate risk sensitivity (cont'd.)**

The sensitivity is the effect of the assumed changes in interest rates on (cont'd.):

	<b>Changes in basis points *</b>	<b>Sensitivity of interest income and profit Increase/ (Decrease) RM</b>
<b>2021</b>		
Deposits with financial institutions	+25 / -25	239,242 / (239,242)
Financing	-25 / +25	312,500 / (312,500)

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

AMANAH HARTA TANAH PNB

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(g) Market risk

(i) Interest rate risk exposure

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

	0 - 3 months RM	1 - 3 years RM	Non-interest bearing RM	Total RM	Effective Interest rate * %
<b>2022</b>					
<b>Assets:</b>					
Real estates**	-	-	425,761,264	425,761,264	-
Real estates					
- accrued rental income**	-	-	49,206,791	49,206,791	-
Equipment, furniture and fittings	-	-	-	-	-
Deposits with financial institutions	44,864,189	-	-	44,864,189	3.85
Trade receivables	-	-	1,618,980	1,618,980	-
Other receivables	-	-	11,076,603	11,076,603	-
Cash and bank balances	-	-	1,660,328	1,660,328	-
Total assets	44,864,189	-	489,323,966	534,188,155	
<b>Liabilities:</b>					
Financing	-	39,950,000	-	39,950,000	4.60
Rental deposit	-	-	6,366,338	6,366,338	-
Other payables	-	-	2,360,128	2,360,128	-
Amount due to Manager	-	-	257,843	257,843	-
Deferred tax liability**	-	-	895,515	895,515	-
Total liabilities	-	39,950,000	9,879,824	49,829,824	
<b>Total interest sensitivity gap</b>	44,864,189	(39,950,000)	479,444,142	484,358,331	

\* Computed based on interest-bearing assets and liabilities only.

\*\* These balances are expected to be recovered after more than twelve months.

**AMANAH HARTA TANAH PNB**

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022**

**30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

**(g) Market risk (cont'd.)**

**(i) Interest rate risk exposure (cont'd.)**

	<b>0 - 3 months RM</b>	<b>1 - 3 years RM</b>	<b>Non-interest bearing RM</b>	<b>Total RM</b>	<b>Effective Interest rate * %</b>
<b>2021</b>					
<b>Assets:</b>					
Real estates**	-	-	255,520,374	255,520,374	-
Real estates					
- accrued rental income**	-	-	42,529,886	42,529,886	-
Equipment, furniture and fittings	-	-	2,055	2,055	-
Deposits with financial institutions	95,696,640	-	-	95,696,640	2.06
Tax recoverable	-	-	-	-	-
Trade receivables	-	-	6,091,235	6,091,235	-
Other receivables	-	-	13,181,885	13,181,885	-
Cash and bank balances	-	-	1,242,605	1,242,605	-
<b>Total assets</b>	<b>95,696,640</b>	<b>-</b>	<b>318,568,040</b>	<b>414,264,680</b>	
<b>Liabilities:</b>					
Financing	-	125,000,000	-	125,000,000	2.91
Rental deposits	-	-	1,264,966	1,264,966	-
Other payables	-	-	6,538,128	6,538,128	-
Amount due to Manager	-	-	230,368	230,368	-
Deferred tax liability**	-	-	3,741,094	3,741,094	-
<b>Total liabilities</b>	<b>-</b>	<b>125,000,000</b>	<b>11,774,556</b>	<b>136,774,556</b>	
<b>Total interest sensitivity gap</b>	<b>95,696,640</b>	<b>(125,000,000)</b>	<b>306,793,484</b>	<b>277,490,124</b>	

\* Computed based on interest-bearing assets and liabilities only.

\*\* These balances are expected to be recovered after more than twelve months.

**30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

**(h) 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.

The Trust's financial assets subject to the expected credit loss model within MFRS 9 are short-term trade receivables and deposits with financial institutions. As at 31 December 2022, the total of short-term trade receivables was RM1,618,980 (2021: RM6,091,235) on which no allowance for impairment (2021: RM307,282) has been provided.

Deposits with financial institutions are placed with local financial institutions with no history of loss on placements made. Hence, no loss allowance is required.

**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 16.

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

##### (i) 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.

As disclosed in Note 18 to the financial statements, the financing refers to the i-TL which can be rolled over in the next three months. There will be no roll over risk for i-TL 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	More than 3 months but less than 5 years RM	Total RM
<b>2022</b>				
<b>Financial liabilities:</b>				
Financing	-	459,425	47,300,800	47,760,225
Other payables	2,360,128	-	-	2,360,128
Total undiscounted financial liabilities	2,360,128	459,425	47,300,800	50,120,353
<b>2021</b>				
<b>Financial liabilities:</b>				
Financing	-	909,375	139,550,000	140,459,375
Other payables	6,538,128	-	-	6,538,128
Total undiscounted financial liabilities	6,538,128	909,375	139,550,000	146,997,503

## AMANAH HARTA TANAH PNB

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

#### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

##### (i) Liquidity Risk (cont'd.)

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.

#### 31. COMMITMENTS

	2022	2021
	RM	RM
Capital commitments:		
Approved and contracted for real estate	3,118,339	3,118,339

#### 32. SIGNIFICANT EVENTS

- (a) The acquisition of the Mydin MITC Melaka located at No.12, Jalan Komersial, MITC, 71800 Ayer Keroh, Melaka was completed on 23 December 2022. The acquisition was made pursuant to the Sale and Purchase Agreement dated 7 July 2022 signed between the Trustee and Permodalan Nasional Berhad, for a cash consideration of RM142 million.
- (b) The acquisition of the Lotuss Kajang located at Bandar Kajang, Daerah Ulu Langat, Selangor was completed on 30 December 2022. The acquisition was made pursuant to the Sale and Purchase Agreement dated 24 September 2021 signed between the Trustee and PNBC Permodalan Harta Sdn Bhd, for a cash consideration of RM79.90 million.
- (c) The disposal of Bangunan AHP located at Taman Tun Dr Ismail was completed on 30 June 2022. The disposal was made pursuant to the Sale and Purchase Agreement dated 5 June 2022 signed between the Trustee and Kuala Sentral Point Sdn Bhd, for a cash consideration of RM77.40 million.

#### 33. CURRENCY

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