

AMANAH HARTA TANAH PNB

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 30.06.2015 (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2014 (Audited) RM'000
INVESTMENTS		
Real estate	196,652	186,117
Real estate-related assets	602	616
Non-real estate-related assets	1,790	1,828
Deposits with financial institutions	5,332	10,132
	<u>204,376</u>	<u>198,693</u>
OTHER ASSETS		
Equipment, furniture and fittings	17	18
Tax recoverable	601	601
Trade receivables	627	647
Other receivables	5,663	189
Cash and bank balances	35	25
	<u>6,943</u>	<u>1,480</u>
TOTAL ASSETS	<u>211,319</u>	<u>200,173</u>
LIABILITIES		
Financing	50,976	38,466
Rental deposits	4,580	4,453
Other payables	1,061	731
Amount due to Manager	287	131
Deferred tax liability	1,951	1,951
TOTAL LIABILITIES	<u>58,855</u>	<u>45,732</u>
FINANCED BY:-		
UNIT HOLDERS' FUND		
Unit holders' capital	100,000	100,000
Retained Earnings	52,464	54,441
TOTAL NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS	<u>152,464</u>	<u>154,441</u>
TOTAL UNIT HOLDERS' FUNDS AND LIABILITIES	<u>211,319</u>	<u>200,173</u>
NUMBER OF UNITS IN CIRCULATION	<u>100,000</u>	<u>100,000</u>
NET ASSET VALUE ("NAV")	<u>152,464</u>	<u>154,441</u>
NAV (EX-DISTRIBUTION) PER UNIT (RM)	<u>1.5246</u>	<u>1.5444</u>

(The Unaudited Condensed Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended December 31, 2014).

AMANAH HARTA TANAH PNB  
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2015 RM'000	Preceding Year Quarter 30.06.2014 RM'000	Current Year Quarter 30.06.2015 RM'000	Preceding Year Corresponding Quarter 30.06.2014 RM'000
<b>TOTAL REVENUE</b>	<b>3,285</b>	<b>3,599</b>	<b>6,711</b>	<b>7,294</b>
Gross rental income	3,304	3,430	6,576	6,964
Less: Assessment	(232)	(243)	(458)	(483)
Quit rent	(13)	(14)	(27)	(27)
Other property operating expenditure	(1,100)	(1,239)	(2,238)	(2,369)
Depreciation	-	(1)	(1)	(2)
Net rental income	1,959	1,933	3,852	4,083
Interest income from deposits with financial institutions	64	85	174	195
Net gain/(loss) on real estate/non-real estate-related asset:				
Realised gain on disposal	1	-	1	-
Unrealised gain/(loss) on valuation	(123)	41	(95)	72
Dividend income	39	43	55	63
	<b>1,940</b>	<b>2,102</b>	<b>3,987</b>	<b>4,413</b>
<b>EXPENSES</b>				
Manager's fee	379	391	759	777
Trustee's fee	32	32	65	65
Auditors' remuneration	4	4	7	7
Valuation fee	53	(5)	53	-
Professional fee	40	21	62	21
Printing, postage and general expenses	168	66	282	103
Financing costs	526	207	982	410
Feasibility study	49	-	54	-
	<b>1,251</b>	<b>716</b>	<b>2,264</b>	<b>1,383</b>
<b>INCOME BEFORE TAXATION</b>	<b>689</b>	<b>1,386</b>	<b>1,723</b>	<b>3,030</b>
<b>TAXATION</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INCOME AFTER TAXATION</b>	<b>689</b>	<b>1,386</b>	<b>1,723</b>	<b>3,030</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>689</b>	<b>1,386</b>	<b>1,723</b>	<b>3,030</b>
<b>NET INCOME AFTER TAXATION</b>				
<b>IS MADE UP OF THE FOLLOWING:</b>				
- Realised	812	1,345	1,818	2,958
- Unrealised	(123)	41	(95)	72
	<b>689</b>	<b>1,386</b>	<b>1,723</b>	<b>3,030</b>
<b>EARNINGS PER UNIT (SEN)</b>	<b>0.69</b>	<b>1.39</b>	<b>1.72</b>	<b>3.03</b>

(The Unaudited Condensed Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended December 31, 2014).

AMANAH HARTA TANAH PNB

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY  
THE PERIOD ENDED JUNE 30, 2015

	Retained Earnings			Total NAV Attributable to unit Holders (RM'000)
	Unit holders' Capital (RM'000)	Distributable Realised Income (RM'000)	Non- Distributable Unrealised Income (RM'000)	
Current Year To-date				
At 1 January 2015	100,000	17,002	37,439	154,441
Transfer to realised income	-	-	-	-
Total comprehensive income for the period	-	1,818	(95)	1,723
Income distribution during the period:				
Final income distribution (Year ended Dec. 31, 2014)	-	(3,700)	-	(3,700)
At June 30, 2015	<u>100,000</u>	<u>15,120</u>	<u>37,344</u>	<u>152,464</u>
Preceding Year To-date				
At 1 January 2014	100,000	19,269	38,685	157,954
Transfer to realised income	-	(165)	165	-
Total comprehensive income for the period	-	2,958	72	3,030
Income distribution during the period:				
Final income distribution (Year ended Dec. 31, 2013)	-	(3,700)	-	(3,700)
At June 30, 2014	<u>100,000</u>	<u>18,362</u>	<u>38,922</u>	<u>157,284</u>

(The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended December 31, 2014).

AMANAH HARTA TANAH PNB

UNAUDITED CONDENSED STATEMENT OF  
CASH FLOW FOR THE PERIOD ENDED JUNE 30, 2015

	Current Year To-date 30.06.2015 (RM'000)	Preceeding Year To-date 30.06.2015 (RM'000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income before taxation	1,723	3,030
Adjustments for non-cash flow:		
Non-cash items	97	(70)
Non-operating items	752	152
Operating profit before working capital changes	<u>2,572</u>	<u>3,112</u>
Changes in working capital		
Net change in current assets	(82)	16
Net change in current liabilities	664	129
Net cash generated from operating activities	<u>3,154</u>	<u>3,257</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Real estate	(15,627)	(5,560)
Equipment, furniture and fittings	-	-
Real estate-related asset/non-real estate-related asset	(41)	(198)
Interest received	200	213
Net cash generated from investing activities	<u>(15,468)</u>	<u>(5,545)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of income distribution	(3,700)	(3,700)
Proceed from revolving credit facility	12,510	-
Financing costs paid	(1,286)	(411)
Net cash used in financing activities	<u>7,524</u>	<u>(4,111)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(4,790)	(6,399)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>10,157</u>	<u>15,813</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>5,367</u>	<u>9,414</u>

(The Unaudited Condensed Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended December 31, 2014).

AMANAH HARTA TANAH PNB

EXPLANATORY NOTES AS REQUIRED BY MFRS 134 INTERIM FINANCIAL REPORTING ("MFRS 134")

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A1. BASIS OF PREPARATION

The quarterly financial report has been prepared in accordance with MFRS 134: Interim Financial Reporting and should be read in conjunction with the audited financial statements for the year ended December 31, 2014.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2014.

A2. AUDIT REPORT FOR PRECEDING FINANCIAL YEAR

The audit report of the financial statements for the preceding year ended December 31, 2014, was not qualified.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

A4. UNUSUAL ITEMS

There were no unusual items to be disclosed for the quarter under review.

A5. CHANGES IN ESTIMATES

This is not applicable as no estimates were previously reported.

A6. DEBT AND EQUITY SECURITIES

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

A7. INCOME DISTRIBUTION

No income distribution was paid during the current quarter.

A8. SEGMENTAL REPORTING

No segment information is prepared as the Trust's assets are located in Malaysia and hence, revenue is generated in Malaysia.

A9. VALUATIONS OF INVESTMENT IN REAL ESTATE

The value of the real estate has been brought forward from the previous annual financial statements without amendment. During the quarter under review, AHP has incurred a cost of RM9.84 million, being the upgrading and renovation costs of Plaza VADS and part payment of property acquisition.

A10. MATERIAL EVENTS

There were no material events as at the latest practicable date from the date of this report.

A11. EFFECT OF CHANGES IN THE COMPOSITION OF THE TRUST

The composition of the investment portfolio of the Trust is as follows:

Investments	Unaudited as at end of current quarter		Audited as at preceeding financial year end	
	(RM'000)	(%)	(RM'000)	(%)
Real estate	196,652	96.20	186,117	93.66
Real estate related-assets	602	0.29	616	0.31
Non-real estate-related assets	1,790	0.88	1,828	0.92
Deposits with financial institutions, cash and bank balances	5,367	2.63	10,157	5.11
	<u>204,411</u>	<u>100.00</u>	<u>198,718</u>	<u>100.00</u>

A12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets to be disclosed.

ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF BURSA MALAYSIA SECURITIES BERHAD'S MAIN MARKET LISTING REQUIREMENTS

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B1. REVIEW OF PERFORMANCE

For the quarter ended June 30, 2015, the Trust recorded a total revenue of RM3.285 million, representing a decrease of RM0.314 million or 8.72% from RM3.599 million achieved in the corresponding quarter in 2014.

Total expenditure for the quarter under review was RM2.596 million, representing an increase of RM0.383 million or 17.31% from RM2.213 million recorded in the corresponding period in 2014.

For the quarter under review, the Trust recorded an income before taxation of RM0.689 million which represents a decrease of RM0.697 million or 50.29% from RM1.386 million of profit recorded in the corresponding period last year.

B2. CHANGES IN THE STATE OF AFFAIRS

There was no material change in the state of affairs of the Trust for the quarter under review.

B3. SUMMARY OF EARNINGS PER UNIT, NET ASSET VALUE AND MARKET PRICE

	Current Year To-date	As at Preceding Financial Year End
Authorised units ('000)	1,000,000	1,000,000
Number of units in issue ('000)	100,000 *	100,000 *
Total comprehensive income (RM'000)	1,723	3,887
Earnings per unit (sen)	1.72	3.89
Net asset value (RM'000)	152,464	154,441
Net asset value per unit (RM)	1.5246	1.5444
Market price per unit (RM)	1.08	1.13

\* The Manager did not hold any unit in the Trust, however, Permodalan Nasional Berhad, a holding company of the Manager, held 5,063,500 units, representing approximately 5.06% of the total units in issue.

B4. REVIEW OF COMMERCIAL PROPERTY MARKET

The performance of Malaysia's property market comprising residential, commercial and industrial properties, moderated during the first three quarters of 2014. For the Purpose-Built-Office (PBO), some 376,744 sq. m of new space was supplied into the market for the first three quarters of 2014; reflecting a significant increase of 41.6% from the third quarter of 2013 level. On the demand side, the occupancy rate for PBO in Malaysia in the first three quarters of 2014 was 78.9%; a slight increase from 77.3% recorded in the third quarter of 2013. As at the end of third quarter of 2014, Kuala Lumpur accounted for 41.3% of the total PBO space nationwide. The share of Kuala Lumpur's PBO against the total national PBO had decreased profoundly from 51.7% recorded in the end of third quarter of 2013. This indicates that commercial activities are scattering away from Kuala Lumpur over the year.

B5. PROSPECTS

In view of the sustainable level of occupancy of the real estate of AHP, Management anticipates that the performance of the real estate of AHP will remain favourable for the current financial year.

B6. STATUS OF CORPORATE PROPOSALS

There were no proceeds raised from any corporate proposal.

B7. UTILISATION OF PROCEEDS RAISED FROM ANY ISSUANCE OF NEW UNITS

There were no issuances of new units for the quarter under review.

B8. CIRCUMSTANCES AFFECTING INTEREST OF UNIT HOLDERS

There were no unusual circumstances which materially affect the interest of the unit holders for the quarter under review.

B9. MATERIAL LITIGATION

There was no pending material litigation as at the latest practicable date from the date of the issuance of this report.

B10. MAINTENANCE COST AND MAJOR CAPITAL EXPENDITURE

There were no major maintenance cost incurred during the quarter under review. However, capital expenditure amounting to RM9.84 million has been incurred during the quarter under review.

B11. SOFT COMMISSION

There was no soft commission received by the Manager or its delegates during the quarter under review.

B12. INCOME RECOGNITION

(i) Rental Income

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

(ii) Gross Dividend Income

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

(iii) Other Income

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

B13. MANAGEMENT FEE

The Manager is entitled to a fee not exceeding 2% 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 management fee charged for the current quarter is 1% (2014: 1%) per annum of the daily net asset value of the Trust.

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

B14. 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 current quarter is RM32,500 (2014: RM32,500).

B15. TRANSACTIONS WITH STOCKBROKING COMPANIES

<u>Stockbroker</u>	<u>Value of Trade (RM)</u>	<u>Percentage of Total Trade (%)</u>	<u>Brokerage Fees (RM)</u>	<u>Percentage of Brokerage Fees (%)</u>
1. Maybank Investment Bank Berhad *	<u>623</u>	<u>100.00</u>	<u>40</u>	<u>100.00</u>

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

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

B16. COMPOSITION OF THE INVESTMENT PORTFOLIO

<u>Investments</u>	<u>Units</u>	<u>Total Cost (RM'000)</u>	<u>Fair Value (RM'000)</u>	<u>Percentage of Fair Value Over Net Asset Value (%)</u>
Real estate	6	157,638	196,652	128.98
Real estate related-assets	230,364	522	602	0.39
Non-real estate related-assets	221,319	1,616	1,790	1.17
Deposits with financial institutions, cash and bank balances		<u>5,367</u>	<u>5,367</u>	3.52
Total		<u><u>165,143</u></u>	<u><u>204,411</u></u>	134.07

B17. TAXATION

The Trust has been exempted from income tax on all income provided that at least 90% of its total chargeable income pursuant to Section 61A of the Income Tax Act 1967, is distributed to the unit holders in the basis period effective from year of assessment 2007.

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

A reconciliation of income tax expense applicable to income before taxation at the statutory income

	Current Quarter RM'000	Year to-date RM'000
Income before taxation	<u>689</u>	<u>1,723</u>
Taxation at Malaysian statutory tax rate of 25%	172	431
Effect on income not subject to tax	5	(34)
Effect on expenses not deductible for tax purposes	20	52
Effect on income distribution exempted from tax at trust level	(197)	(446)
Utilisation of current year capital allowances	<u>-</u>	<u>(3)</u>
Tax expense for the period	<u><u>-</u></u>	<u><u>-</u></u>

B18. BORROWINGS AND DEBT SECURITIES

There were no borrowings or debt securities except for the Revolving Credit-i Facility.

B19. INCOME DISTRIBUTION

Income distribution for the current year to-date, is as follows:

	Gross RM'000	Net RM'000
Interim income distribution of 3.50 sen per unit (Payment date : 28 August 2015)	3,500	3,500
Total distribution for the period	<u>3,500</u>	<u>3,500</u>
Distribution per unit (sen)	<u>3.50</u>	<u>3.50</u>

B20. SOURCE OF DISTRIBUTION

Distribution to unit holders is from the following sources:

	RM'000
Net rental income	3,852
Gross dividends from investments in:	
Real estate-related assets	1
Non-real estate-related assets	-
Interest income from deposits with financial institutions	174
Gain on disposals of real estate	-
Gain on disposal of real estate/ non-real estate related asset	-
Other income	-
Retained earnings	<u>1,737</u>
	5,764
Less: Expenses	<u>(2,264)</u>
Total distribution	<u>3,500</u>
Gross income distribution per unit (sen)	3.50
Net income distribution per unit (sen)	<u>3.50</u>

B21. STATEMENT BY THE DIRECTORS OF THE MANAGER

In the opinion of the Directors of the Manager, the quarterly report has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of Amanah Harta Tanah PNB as at June 30, 2015 and its results and the cash flows for the quarter ended on that date and duly authorised for release by the Board of the Manager on August 3, 2015.

BY ORDER OF THE BOARD

ADIBAH KHAIRIAH BINTI ISMAIL @ DAUD (MIA 13755)  
 Company Secretary  
 PELABURAN HARTANAH NASIONAL BERHAD (175967-W)  
 (as the Manager of Amanah Harta Tanah PNB)