

AMANAH HARTA TANAH PNB

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 30.09.2016 (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2015 (Audited) RM'000
INVESTMENTS		
Real estate	453,547	210,890
Real estate-related assets	-	549
Non-real estate-related assets	-	1,663
Deposits with financial institutions	10,822	6,291
	464,369	219,393
OTHER ASSETS		
Equipment, furniture and fittings	14	16
Tax recoverable	601	601
Trade receivables	922	862
Other receivables	1,859	5,917
Cash and bank balances	68	65
	3,464	7,461
TOTAL ASSETS	467,833	226,854
LIABILITIES		
Financing	189,786	59,894
Rental deposits	4,801	4,576
Other payables	114,056	280
Amount due to Manager	134	144
Deferred tax liability	2,414	2,414
TOTAL LIABILITIES	311,191	67,308
FINANCED BY:-		
UNIT HOLDERS' FUND		
Unit holders' capital	100,000	100,000
Retained Earnings	56,642	59,546
TOTAL NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS	156,642	159,546
TOTAL UNIT HOLDERS' FUNDS AND LIABILITIES	467,833	226,854
NUMBER OF UNITS IN CIRCULATION	100,000	100,000
NET ASSET VALUE ("NAV")	156,642	159,546
NAV (EX-DISTRIBUTION) PER UNIT (RM)	1.5664	1.5955

(The Unaudited Condensed Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended December 31, 2015).

AMANAH HARTA TANAH PNB
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2016 RM'000	Preceding Year Quarter 30.09.2015 RM'000	Current Year Quarter 30.09.2016 RM'000	Preceding Year Corresponding Quarter 30.09.2015 RM'000
TOTAL REVENUE	4,193	3,299	11,852	10,010
Gross rental income	4,084	3,373	11,642	9,949
Less: Assessment	(231)	(233)	(688)	(691)
Quit rent	(14)	(14)	(41)	(41)
Other property operating expenditure	(1,120)	(1,162)	(3,757)	(3,400)
Depreciation	(1)	(1)	(2)	(2)
Net rental income	2,718	1,963	7,154	5,815
Interest income from deposits with financial institutions	58	47	162	221
Net gain/(loss) on real estate/non-real estate-related asset:				
Realised gain on disposal	49	12	60	13
Unrealised gain/(loss) on valuation	(5)	(151)	(64)	(246)
Dividend income	7	18	52	73
	<u>2,827</u>	<u>1,889</u>	<u>7,364</u>	<u>5,876</u>
EXPENSES				
Manager's fee	395	380	1,179	1,139
Trustee's fee	33	33	98	98
Auditors' remuneration	3	3	10	10
Valuation fee	-	-	-	-
Professional fee	-	-	-	115
Printing, postage and general expenses	20	124	91	406
Financing costs	1,009	579	2,391	1,561
Feasibility study	-	-	-	54
	<u>1,460</u>	<u>1,119</u>	<u>3,769</u>	<u>3,383</u>
INCOME BEFORE TAXATION	1,367	770	3,595	2,493
TAXATION	-	-	-	-
INCOME AFTER TAXATION	<u>1,367</u>	<u>770</u>	<u>3,595</u>	<u>2,493</u>
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,367</u>	<u>770</u>	<u>3,595</u>	<u>2,493</u>
NET INCOME AFTER TAXATION				
IS MADE UP OF THE FOLLOWING:				
- Realised	1,372	921	3,659	2,739
- Unrealised	(5)	(151)	(64)	(246)
	<u>1,367</u>	<u>770</u>	<u>3,595</u>	<u>2,493</u>
EARNINGS PER UNIT (SEN)	<u>1.37</u>	<u>0.77</u>	<u>3.60</u>	<u>2.49</u>

(The Unaudited Condensed Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended December 31, 2015).

AMANAH HARTA TANAH PNB

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
THE PERIOD ENDED SEPTEMBER 30, 2016

	Unit holders' Capital (RM'000)	Retained Earnings		Total NAV Attributable to unit Holders (RM'000)
		Distributable Realised Income (RM'000)	Non- Distributable Unrealised Income (RM'000)	
Current Year To-date				
At 1 January 2016	100,000	13,588	45,959	159,547
Total comprehensive income for the period	-	3,659	(64)	3,595
Income distribution during the period:				
Final income distribution (Year ended Dec. 31, 2015)	-	(3,500)	-	(3,500)
Interim income distribution (Year ended Dec. 31, 2015)	-	(3,000)	-	(3,000)
At September 30, 2016	<u>100,000</u>	<u>10,747</u>	<u>45,895</u>	<u>156,642</u>
Preceding Year To-date				
At 1 January 2015	100,000	17,002	37,439	154,441
Total comprehensive income for the period	-	2,739	(246)	2,493
Income distribution during the period:				
Final income distribution (Year ended Dec. 31, 2014)	-	(3,700)	-	(3,700)
Interim income distribution (Year ended Dec. 31, 2013)	-	(3,500)	-	(3,500)
At September 30, 2015	<u>100,000</u>	<u>12,541</u>	<u>37,193</u>	<u>149,734</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, 2015).

AMANAH HARTA TANAH PNB

UNAUDITED CONDENSED STATEMENT OF
CASH FLOW FOR THE PERIOD ENDED SEPTEMBER 30, 2016

	Current Year To-date 30.09.2016 (RM'000)	Preceding Year To-date 30.09.2015 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before taxation	3,595	2,493
Adjustments for non-cash flow:		
Non-cash items	66	248
Non-operating items	2,117	1,254
Operating profit before working capital changes	<u>5,778</u>	<u>3,995</u>
Changes in working capital		
Net change in current assets	(332)	(545)
Net change in current liabilities	118,006	(239)
Net cash generated from operating activities	<u>123,452</u>	<u>3,211</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Real estate	(242,657)	(19,395)
Real estate-related asset/non-real estate-related asset	2,261	64
Interest received	156	224
Net cash generated from investing activities	<u>(240,240)</u>	<u>(19,107)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of income distribution	(6,500)	(7,200)
Proceed from revolving credit facility	129,892	19,676
Financing costs paid	(2,070)	(1,855)
Net cash used in financing activities	<u>121,322</u>	<u>10,621</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,534	(5,275)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>6,356</u>	<u>10,157</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>10,890</u>	<u>4,882</u>

(The Unaudited Condensed Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended December 31, 2015).

AMANAH HARTA TANAH PNB

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

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, 2015.

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 2015.

A2. AUDIT REPORT FOR PRECEDING FINANCIAL YEAR

The audit report of the financial statements for the preceding year ended December 31, 2015, 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

An income distribution of RM3.00 million or 3.00 sen a unit (tax exempt at trust level) for the six-month period ended June 30, 2016, 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 capital expenditure amounting to RM0.878 million.

A10. MATERIAL EVENTS

In relation to the acquisition of a property for a purchase consideration of RM240 million and issuance of 120 million new units via rights issues as disclosed in the Audited Financial Report of the Trust for the year ended 31 December 2015, the following announcement were made during the quarter under review:

- (i) On 22 July 2016, it was announced that Bursa Malaysia Securities Berhad approved the application for an extension of time until 15 January 2017 to complete the Rights Issue exercise;
- (ii) On 26 July 2016, it was announced that the Cut-Off Period (period to fulfill all Conditions Precedent ("CP")) for the Acquisition has been extended from 26 July 2016 to 27 October 2016* in order to fulfill the CP of the Sale and Purchase Agreement and Supplemental Agreement; and
- (iii) On 18 August 2016, it was announced that the Trustee for AHP, had entered into a second supplemental sale and purchase agreement and a supplemental agreement to lease with Mydin for the Acquisition.

*Note: On 24 October 2016, it was announced that Cut-Off Period for the Acquisition has been extended from 27 October 2016 to 27 November 2016 and on 23 November 2016 it was announced that the Cut-Off Period has been extended further to 27 December 2016.

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	453,547	97.66	210,890	96.10
Real estate related-assets	-	-	549	0.25
Non-real estate-related assets	-	-	1,663	0.75
Deposits with financial institutions, cash and bank balances	10,890	2.34	6,356	2.90
	<u>464,437</u>	<u>100.00</u>	<u>219,458</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

B1. REVIEW OF PERFORMANCE

For the quarter ended September 30, 2016, the Trust recorded a total revenue of RM4.193 million, representing an increase of RM0.894 million or 27.10% from RM3.299 million achieved in the corresponding quarter in 2015.

Total expenditure for the quarter under review was RM2.826 million, representing an increase of RM0.297 million or 11.74% from RM2.529 million recorded in the corresponding period in 2015.

For the quarter under review, the Trust recorded an income before taxation of RM1.367 million which represents an increase of RM0.597 million or 77.53% from RM0.770 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)	3,595	12,305
Earnings per unit (sen)	3.60	12.31
Net asset value (RM'000)	156,642	159,546
Net asset value per unit (RM)	1.5664	1.5955
Market price per unit (RM)	1.02	1.00

* 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 in the first half of 2016. For Purpose-Built-Office (PBO) subsector, some 138,530 sq. m of new private space was supplied into the market in the first half of 2016, reflecting a meagre increase of 0.9% from end of 2015 level. On the demand side, the occupancy rate for private PBO in Malaysia in the first half of 2016 was 78.2%; a slight decrease from 78.5% recorded in second half of 2015. As at the end of the first half of 2016, Kuala Lumpur accounted for 52.3% of the total private PBO space nationwide, growing from 51.6% recorded at the end of 2015. After successive decreasing pattern recorded for the past three quarters, an increase in the share of Kuala Lumpur's private PBO provides an early indicator that commercial activities are starting to reconvene in the capital.

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 consistent 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 RM0.878 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% (2015: 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 RM97,500 (2015: RM97,500).

B15. TRANSACTIONS WITH STOCKBROKING COMPANIES

No transaction recorded during the current quarter.

<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>2,274,615</u>	<u>100.00</u>	<u>3,639</u>	<u>100.00</u>

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

B16. REAL ESTATE ACQUIRED DURING THE PERIOD

The following real estate was acquired during the quarter:

<u>Real Estate</u>	<u>Tenure</u>	<u>Vendor</u>	<u>Price (RM)</u>
Mydin Mall/Hypermarket Seremban 2, Negeri Sembilan	Freehold	Mydin Mohamed Holdings Berhad	240 million

The above real estate was acquired with a leaseback arrangement with the Vendor. Pursuant to the relevant Second Supplemental Sale and Purchase Agreement, financing from the Commodity Murabahah Term Financing-i facility totalling RM125 million was disbursed via two tranches on August 25, 2016 and September 13, 2016, to part finance the acquisition. In return for the full disbursement of the RM125 million, the Vendor surrendered the Title to the real estate and on September 13, 2016, the 30-year lease of the real estate commences. The rental payable by the Vendor, as the Lessee, is proportionate to the acquisition price which has been paid.

As such, as at September 30, 2016, the acquisition of the real estate has been substantively completed with all CPs for the Acquisition have been fulfilled save for the approval of the SC for the Abridged Prospectus ("AP") in relation to the rights issue to part finance the acquisition. Accordingly, the real estate has been accounted for in full. The AP will be submitted to the SC upon the execution of the relevant underwriting agreement in relation to the rights issue. Upon the submission and registration of the AP, the rights issue will proceed and is expected to be completed in 1Q2017 upon which the Balance Purchase Price will be paid to the Vendor from the proceeds of the rights issue.

B17. 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	7	453,547	343,347	219.19
Deposits with financial institutions, cash and bank balances		<u>10,890</u>	<u>10,890</u>	6.95
Total		<u>464,437</u>	<u>354,237</u>	226.14

B18. 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 Trust estimates that it will distribute at least 90% of its chargeable income for the whole financial year and accordingly the Trust is not subject to income tax for the year ended December 31, 2016.

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

	Current Quarter RM'000	Year to-date RM'000
Income before taxation	<u>1,367</u>	<u>3,595</u>
Taxation at Malaysian statutory tax rate of 24%	328	863
Effect on income not subject to tax	(26)	(50)
Effect on expenses not deductible for tax purposes	11	38
Effect on income distribution exempted from tax at trust level	(313)	(851)
Utilisation of current year capital allowances	<u>-</u>	<u>-</u>
Tax expense for the period	<u>-</u>	<u>-</u>

B19. BORROWINGS AND DEBT SECURITIES

There were no borrowings or debt securities except for the Revolving Credit-i Facility of RM64.8 million mainly to finance the upgrading and refurbishment of Plaza VADS and the Commodity Murabahah Term Financing-i Facility of RM125 million to part finance the acquisition of Mydin Mall/Hypermarket in Seremban 2.

B20. INCOME DISTRIBUTION

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

	Gross RM'000	Net RM'000
Interim income distribution of 3.00 sen per unit (Payment date : 30 August 2016)	3,000	3,000
Total distribution for the period	<u>3,000</u>	<u>3,000</u>
Distribution per unit (sen)	<u>3.00</u>	<u>3.00</u>

B21. SOURCE OF DISTRIBUTION

Distribution to unit holders is from the following sources:

	RM'000
Net rental income	7,154
Gross dividends from investments	52
Interest income from deposits with financial institutions	162
	<hr/>
	7,368
Less: Expenses	(4,368)
Total distribution	<hr/> <u>3,000</u>
Gross income distribution per unit (sen)	3.00
Net income distribution per unit (sen)	<hr/> <u>3.00</u>

B22. 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 September 30, 2016 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 November 24, 2016.

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)