

AMANAH HARTA TANAH PNB

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 30.09.2017 (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2016 (Audited) RM'000
INVESTMENTS		
Real estate	440,794	446,096
Deposits with financial institutions	19,738	9,488
	<u>460,532</u>	<u>455,584</u>
OTHER ASSETS		
Equipment, furniture and fittings	12	13
Tax recoverable	601	601
Trade receivables	369	1,666
Other receivables	9,629	10,854
Cash and bank balances	255	92
	<u>10,866</u>	<u>13,226</u>
TOTAL ASSETS	<u>471,398</u>	<u>468,810</u>
LIABILITIES		
Financing	189,786	196,506
Rental deposits	5,353	4,951
Other payables	1,712	111,211
Amount due to Manager	238	138
Deferred tax liability	2,126	2,127
TOTAL LIABILITIES	<u>199,215</u>	<u>314,933</u>
FINANCED BY:-		
UNIT HOLDERS' FUND		
Unit holders' capital	219,121	100,000
Retained Earnings	53,062	53,877
TOTAL NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS	<u>272,183</u>	<u>153,877</u>
TOTAL UNIT HOLDERS' FUNDS AND LIABILITIES	<u>471,398</u>	<u>468,810</u>
NUMBER OF UNITS IN CIRCULATION	<u>220,000</u>	<u>100,000</u>
NET ASSET VALUE ("NAV")	<u>272,183</u>	<u>153,877</u>
NAV (EX-DISTRIBUTION) PER UNIT (RM)	<u>1.2372</u>	<u>1.5388</u>

(The Condensed Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended December 31, 2016.)

AMANAH HARTA TANAH PNB
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2017 RM'000	Preceding Year Quarter 30.09.2016 RM'000	Current Year Quarter 30.09.2017 RM'000	Preceding Year Corresponding Quarter 30.09.2016 RM'000
TOTAL REVENUE	7,104	4,149	22,296	11,856
Gross rental income				
Realised	6,902	4,084	21,821	11,642
Unrealised (unbilled lease income receivable)*	2,106	-	6,318	-
	9,008	4,084	28,139	11,642
Less: Assessment	(231)	(231)	(685)	(688)
Quit rent	(14)	(14)	(41)	(41)
Other property operating expenditure	(1,572)	(1,120)	(4,157)	(3,757)
Depreciation	(1)	(1)	(2)	(2)
Net rental income	7,190	2,718	23,254	7,154
Interest income from deposits with financial institutions	202	58	475	162
Net gain/(loss) on real estate/non-real estate-related asset:				
Realised gain on disposal	-	49	-	60
Unrealised gain/(loss) on valuation	(2,106)	(5)	(6,318)	(64)
Dividend income	-	7	-	52
	5,286	2,827	17,411	7,364
EXPENSES				
Manager's fee	689	395	2,050	1,179
Trustee's fee	32	33	97	98
Auditors' remuneration	3	3	10	10
Valuation fee	-	-	-	-
Professional fee	-	-	25	-
Printing, postage and general expenses	7	20	107	91
Finance costs	2,125	1,009	6,427	2,391
Deemed finance cost	-	-	270	-
	2,856	1,460	8,986	3,769
INCOME BEFORE TAXATION	2,430	1,367	8,425	3,595
TAXATION	-	-	-	-
INCOME AFTER TAXATION	2,430	1,367	8,425	3,595
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,430	1,367	8,425	3,595

NET INCOME AFTER TAXATION				
IS MADE UP OF THE FOLLOWING:				
- Realised	2,430	1,372	8,425	3,659
- Unrealised	-	(5)	-	(64)
	<u>2,430</u>	<u>1,367</u>	<u>8,425</u>	<u>3,595</u>
EARNINGS PER UNIT (SEN)	<u>1.10</u>	<u>1.37</u>	<u>3.83</u>	<u>3.60</u>

* Recognition of unrealised rental income - unbilled lease income receivable pursuant to the requirements of MFRS 117 Leases, to recognise income from operating lease on a straight-line basis, including contractual increase in rental rates over the fixed tenure of the lease agreement.

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended December 31, 2016.)

AMANAH HARTA TANAH PNB

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	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 2017	100,000	13,382	40,495	153,877
Issuance of rights units	120,000	-	-	120,000
Expenses related to rights issue	(879)	-	-	(879)
Total comprehensive income for the period	-	8,425	-	8,425
Income distribution during the period:				
Final income distribution (Year ended Dec. 31, 2016)	-	(3,300)	-	(3,300)
Interim income distribution (Year ended Dec. 31, 2017)	-	(5,940)	-	(5,940)
At September 30, 2017	<u>219,121</u>	<u>12,567</u>	<u>40,495</u>	<u>272,183</u>
Preceding 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, 2016)	-	(3,000)	-	(3,000)
At September 30, 2016	<u>100,000</u>	<u>10,747</u>	<u>45,895</u>	<u>156,642</u>

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended December 31, 2016.)

AMANAH HARTA TANAH PNB

UNAUDITED CONDENSED STATEMENT OF
CASH FLOW FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	Current Year To-date 30.09.2017 (RM'000)	Preceding Year To-date 30.09.2016 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before taxation	8,425	3,595
Adjustments for non-cash flow:		
Non-cash items	6,320	66
Non-operating items	5,952	2,117
Operating profit before working capital changes	20,697	5,778
Changes in working capital		
Net change in current assets	2,522	(332)
Net change in current liabilities	(109,365)	118,006
Net cash generated from operating activities	(86,146)	123,452
CASH FLOWS FROM INVESTING ACTIVITIES		
Real estate	(1,016)	(242,657)
Real estate-related asset/non-real estate-related asset	-	2,261
Interest received	437	156
Net cash generated from investing activities	(579)	(240,240)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of income distribution	(9,240)	(6,500)
Proceed from right issue	120,000	-
Proceed from revolving credit facility	-	129,892
Financing costs paid	(13,622)	(2,070)
Net cash used in financing activities	97,138	121,322
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,413	4,534
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	9,580	6,356
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	19,993	10,890

(The Condensed Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended December 31, 2016.)

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, 2016.

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 2016.

A2. AUDIT REPORT FOR PRECEDING FINANCIAL YEAR

The audit report of the financial statements for the preceding year ended December 31, 2016, 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, save for the partial repayment of RM6.72 million of the Revolving Credit-I Facility which was mainly to finance the upgrading and refurbishment of Plaza VADS. Consequently, the gearing ratio has reduced to 40.26% from 40.73% in the preceding quarter.

A7. INCOME DISTRIBUTION

An income distribution of RM5.94 million or 2.70 sen a unit (tax exempt at trust level) for the six-month period ended June 30, 2017, 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 RM0.622 million.

A10. MATERIAL EVENTS

There were no material event 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	440,794	95.66	446,096	97.90
Deposits with financial institutions, cash and bank balances	19,993	4.34	9,580	2.10
	<u>460,787</u>	<u>100.00</u>	<u>455,676</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, 2017, the Trust recorded a total revenue of RM7.104 million, representing an increase of RM2.955 million or 71.22% from RM4.149 million achieved in the corresponding quarter in 2016. The increase was mainly due to rental income from the newly acquired Mydin Seremban 2.

Total expenditure for the quarter under review was RM4.674 million, representing an increase of RM1.848 million or 65.39% from RM2.826 million recorded in the corresponding period in 2016. The increase was mainly due to the financing cost incurred in relation to the acquisition of Mydin Seremban 2.

For the quarter under review, the Trust recorded a profit before taxation of RM2.430 million which represents an increase of RM1.063 million or 77.76% from RM1.367 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)	220,000 *	100,000 *
Total comprehensive income (RM'000)	8,425	830
Earnings per unit (sen)	3.83	0.83
Net asset value (RM'000)	272,183	153,877
Net asset value per unit (RM)	1.2372	1.5388
Market price per unit (RM)	0.880	0.975

* The Manager did not hold any unit in the Trust, however, Permodalan Nasional Berhad, a holding company of the Manager, held 11,139,700 units, representing approximately 5.06% of the total units in issue as at 30 June 2017, (5,063,500 units, representing approximately 5.06% as at preceding financial year end).

B4. 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 positive for the current financial year.

B5. STATUS OF CORPORATE PROPOSALS

There were no proceeds raised from any corporate proposal.

B6. UTILISATION OF PROCEEDS RAISED FROM ANY ISSUANCE OF NEW UNITS

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

B7. 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.

B8. MATERIAL LITIGATION

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

B9. MAINTENANCE COST AND MAJOR CAPITAL EXPENDITURE

There were no major maintenance cost incurred during the quarter under review. However, capital expenditure amounting to RM0.622 million has been incurred during the quarter under review.

B10. SOFT COMMISSION

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

B11. INCOME RECOGNITION

(i) Rental Income

Rental income arising from operating lease on real estates is accounted for on a straight-line basis over the lease terms.

Pursuant to the requirements of MFRS 117 Leases to recognise income from operating lease on a straight-line basis, including contractual increase in rental rates over the fixed tenure of the lease agreement, unrealised rental income relating to the unbilled rental income receivable are also included in the rental income for the year.

(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.

B12. 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% (2016: 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.

B13. 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 (2016: RM97,500).

B14. TRANSACTIONS WITH STOCKBROKING COMPANIES

No transaction recorded during the current quarter.

B15. COMPOSITION OF THE INVESTMENT PORTFOLIO

<u>Investments</u>	<u>Units</u>	<u>Total Cost</u> (RM'000)	<u>Fair Value</u> (RM'000)	Percentage of Fair Value Over Net Asset <u>Value</u> (%)
Real estate	7	407,110	440,794	161.95
Deposits with financial institutions, cash and bank balances		<u>19,993</u>	<u>19,993</u>	7.35
Total		<u><u>427,103</u></u>	<u><u>460,787</u></u>	169.29

B16. 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, 2017.

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>2,430</u>	<u>8,425</u>
Taxation at Malaysian statutory tax rate of 24%	583	2,022
Effect on income not subject to tax	457	1,402
Effect on expenses not deductible for tax purposes	8	42
Effect on income distribution exempted from tax at trust level	<u>(1,048)</u>	<u>(3,466)</u>
Tax expense for the period	<u><u>-</u></u>	<u><u>-</u></u>

B17. BORROWINGS AND DEBT SECURITIES

There were no borrowings or debt securities except for the Revolving Credit-i Facility of RM64.78 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.

B18. INCOME DISTRIBUTION

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

	Gross RM'000	Net RM'000
Interim income distribution of 2.70 sen per unit (Payment date : 30 August 2017)	5,940	5,940
Total distribution for the period	<u>5,940</u>	<u>5,940</u>
Distribution per unit (sen)	<u><u>2.70</u></u>	<u><u>2.70</u></u>

B19. SOURCE OF DISTRIBUTION

Distribution to unit holders is from the following sources:

		RM'000
Net rental income		12,066
Interest income from deposits with financial institutions		<u>273</u>
		12,339
Less: Expenses		<u>(6,399)</u>
Total distribution		<u>5,940</u>
	Per Unit (sen)	
Gross/net interim income distribution	2.70	<u>5,940</u>
Total distribution		<u>5,940</u>

B20. 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, 2017 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 16, 2017.

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)