

AMANAH HARTA TANAH PNB

AUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT PERIOD 31.12.2018 (Audited) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2017 (Audited) RM'000
INVESTMENTS		
Real estate	438,991	446,770
Deposits with financial institutions	19,619	21,799
	<u>458,610</u>	<u>468,569</u>
OTHER ASSETS		
Equipment, furniture and fittings	9	11
Tax recoverable	675	601
Trade receivables	1,792	296
Other receivables	21,483	13,326
Cash and bank balances	212	139
	<u>24,171</u>	<u>14,373</u>
TOTAL ASSETS	<u>482,781</u>	<u>482,942</u>
LIABILITIES		
Financing	187,438	189,786
Rental deposits	5,560	5,360
Other payables	4,938	3,926
Amount due to Manager	243	253
Deferred tax liability	2,437	2,441
TOTAL LIABILITIES	<u>200,616</u>	<u>201,766</u>
FINANCED BY:- UNIT HOLDERS' FUND		
Unit holders' capital	219,121	219,121
Retained Earnings	63,044	62,055
TOTAL NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS	<u>282,165</u>	<u>281,176</u>
TOTAL UNIT HOLDERS' FUNDS AND LIABILITIES	<u>482,781</u>	<u>482,942</u>
NUMBER OF UNITS IN CIRCULATION	<u>220,000</u>	<u>220,000</u>
NET ASSET VALUE ("NAV")	<u>282,165</u>	<u>281,176</u>
NAV (EX-DISTRIBUTION) PER UNIT (RM)	<u>1.2826</u>	<u>1.2781</u>

(The Condensed Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended December 31, 2017.)

AMANAH HARTA TANAH PNB  
AUDITED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2018 RM'000	Preceding Year Quarter 31.12.2017 RM'000	Current Year To-date 31.12.2018 RM'000	Preceding Year To-date 31.12.2017 RM'000
<b>TOTAL REVENUE</b>	<b>8,128</b>	<b>7,624</b>	<b>31,848</b>	<b>29,920</b>
Gross rental income				
Realised	8,000	7,421	31,242	29,242
Unrealised (unbilled lease income receivable) <sup>1</sup>	1,559	3,985	7,979	10,303
	9,559	11,406	39,221	39,545
Less: Assessment	(232)	(234)	(919)	(919)
Quit rent	(14)	(14)	(55)	(55)
Other property operating expenditure	(2,220)	(1,379)	(6,748)	(5,536)
Depreciation	-	-	(2)	(2)
Net rental income	7,093	9,779	31,497	33,033
Interest income from deposits with financial institutions	128	203	606	678
Net gain/(loss) on real estate/non-real estate-related asset:				
Realised gain on disposal	-	-	-	-
Unrealised gain/(loss) on valuation <sup>1</sup>	(1,642)	2,313	(8,062)	(4,005)
	5,579	12,295	24,041	29,706
<b>EXPENSES</b>				
Manager's fee	710	696	2,805	2,746
Trustee's fee	33	33	130	130
Auditors' remuneration	9	8	22	18
Valuation fee	20	100	20	100
Professional fee	5	5	16	30
Printing, postage and general expenses	21	36	92	143
Finance costs	2,223	2,109	8,715	8,536
Allowance for impairment of trade receivable <sup>2</sup>	(60)	-	-	-
Deemed finance cost	-	-	-	270
	2,961	2,987	11,800	11,973
<b>INCOME BEFORE TAXATION</b>	<b>2,618</b>	<b>9,308</b>	<b>12,241</b>	<b>17,733</b>
<b>TAXATION</b>	<b>78</b>	<b>(315)</b>	<b>78</b>	<b>(315)</b>
<b>INCOME AFTER TAXATION</b>	<b>2,696</b>	<b>8,993</b>	<b>12,319</b>	<b>17,418</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2,696</b>	<b>8,993</b>	<b>12,319</b>	<b>17,418</b>

AMANAH HARTA TANAH PNB

AUDITED STATEMENT OF COMPREHENSIVE INCOME (cont'd)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2018 RM'000	Preceding Year Quarter 31.12.2017 RM'000	Current Year To-date 31.12.2018 RM'000	Preceding Year To-date 31.12.2017 RM'000
NET INCOME AFTER TAXATION IS MADE UP OF THE FOLLOWING:				
- Realised	2,775	3,010	12,398	11,435
- Unrealised	(79)	5,983	(79)	5,983
	<u>2,696</u>	<u>8,993</u>	<u>12,319</u>	<u>17,418</u>
EARNINGS PER UNIT (SEN) <sup>3</sup>	<u>1.23</u>	<u>4.09</u>	<u>5.60</u>	<u>7.92</u>

<sup>1</sup> 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.

<sup>2</sup> Reversal of the impairment in the current quarter due to the arrangement for the settlement of the outstanding amount by the tenant.

<sup>3</sup> The earnings per unit has been calculated based on the income after taxation for the period divided by the number units in circulation.

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended December 31, 2017.)

AMANAH HARTA TANAH PNB

AUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED DECEMBER 31, 2018

	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 2018	219,121	15,577	46,478	281,176
Total comprehensive income for the period	-	12,398	(79)	12,319
Income distribution during the period:				
Final income distribution (Year ended Dec. 31, 2017)	-	(5,500)	-	(5,500)
Interim income distribution (Year ended Dec. 31, 2018)	-	(5,830)	-	(5,830)
At December 31, 2018	<u>219,121</u>	<u>16,645</u>	<u>46,399</u>	<u>282,165</u>
Preceding 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	-	11,435	5,983	17,418
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 December 31, 2017	<u>219,121</u>	<u>15,577</u>	<u>46,478</u>	<u>281,176</u>

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended December 31, 2017.)

AMANAH HARTA TANAH PNB

AUDITED CONDENSED STATEMENT OF  
CASH FLOW FOR THE PERIOD ENDED DECEMBER 31, 2018

	Current Year To-date 31.12.2018 (RM'000)	Preceeding Year To-date 31.12.2017 (RM'000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income before taxation	12,241	17,733
Adjustments for non-cash flow:		
Non-cash items	8,064	4,007
Non-operating items	8,109	7,858
Operating profit before working capital changes	<u>28,414</u>	<u>29,598</u>
Changes in working capital		
Net change in current assets	(9,638)	(3,073)
Net change in current liabilities	1,139	2,643
Net cash generated from operating activities	<u>19,915</u>	<u>29,168</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Real estate	(283)	(112,497)
Interest received	591	674
Net cash generated from investing activities	<u>308</u>	<u>(111,823)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Financial service reserve account pledged	-	(11)
Increase in deposit restricted	-	(5)
Payment of income distribution	(11,330)	(9,240)
Proceed from right issue	-	120,000
Financing costs paid	(8,652)	(15,731)
Financing repayment	(2,348)	-
Net cash used in financing activities	<u>(22,330)</u>	<u>95,013</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,107)	12,358
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>21,938</u>	<u>9,580</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>19,831</u>	<u>21,938</u>

(The Condensed Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended December 31, 2017.)

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, 2017.

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 2017 except for the adoption of the following standards that became effective for financial period beginning 1 January 2018 :

(a) MFRS 9 Financial Instruments

The accounting policies that relate to the recognition, classification, measurement and derecognition of financial instruments and impairment of financial assets are amended to comply with the provisions of this Standard, while the hedge accounting requirements under this Standard is not relevant to the Trust. In accordance with the transition requirements under paragraph 7.2.15 of this Standard, comparatives are not restated and the financial impact on the adoption of this Standard, if any, is recognised in retained earnings as at 1 January 2018.

(i) Changes to the accounting policies

*Financial assets*

The Trust classify its financial assets into the following measurement categories depending on the Trust business model for managing the financial assets and the terms of contractual cash flows of the financial assets:

- Those to be measured at amortised cost; and
- Those to be measured subsequently at fair value through profit or loss.

The following summarises the key changes:

- The Available-For-Sale ("AFS"), Held-To-Maturity ("HTM") and loans and receivables financial asset categories were removed.
- A new financial asset category measured at amortised cost was introduced. This applies to financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by collecting contractual cash flows only.

A1. BASIS OF PREPARATION (CONTD.)

- A new financial asset category measured at Fair Value Through Other Comprehensive Income ("FVTOCI") was introduced. This applies to debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- A new financial asset category for non-traded equity investments measured at FVTOCI was introduced.

*Financial liabilities*

There is no impact on the classification and measurement of the Trust's financial liabilities.

*Impairment of financial assets*

MFRS 9 *Financial Instruments* requires impairment assessments to be based on an Expected Credit Loss ("ECL") model, replacing the incurred loss model under MFRS 139 *Financial Instruments: Recognition and Measurement*.

The key changes in relation to impairment of financial assets are as follows:

a. Deposits, cash and bank balances

The amount of ECL is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Trust, and all the cash flows that the Trust expects to receive.

The Trust applies a two-step approach to measure the ECL on cash and bank balances:

(i) 12-months ECL

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Trust shall measure the allowance for impairment for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

(ii) Lifetime ECL

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime ECL for that financial asset is recognised as allowance for impairment by the Trust. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Trust shall revert the loss allowance measurement from lifetime ECL to 12-months ECL.

A1. BASIS OF PREPARATION (CONTD.)

At each financial year end, the Trust assesses whether there is a significant increase in credit risk for cash and bank balances since initial recognition by comparing the risk of default on these financial assets as at the financial year end with the risk of default as at the date of initial recognition. The Trust considers external credit rating and other supportive information to assess deterioration in credit quality of these financial assets.

b. Trade and other receivables which are financial assets

The Trust applies the simplified approach prescribed by MFRS 9 *Financial Instruments*, which requires a lifetime ECL to be recognised from initial recognition of the trade and other receivables which are financial assets.

(ii) Classification and measurement

The following table summarises the reclassification and measurement of the Trust's financial assets as at 1 January 2018:

	Measurement category		Carrying amount as at 1 January 2018	
	Original (MFRS 139)	New (MFRS 9)	Original (MFRS 139) RM'000	New (MFRS 9) RM'000
Financial assets:				
Trade receivables *	Loans and receivables	Amortised cost	296	296
Other receivables which are financial assets *	Loans and receivables	Amortised cost	13,263	13,263
Deposits, cash and bank balances *	Loans and receivables	Amortised cost	21,938	21,938

(\*) Trade receivables and other receivables and cash and bank balances that have previously been classified as loans and receivables are now classified at amortised cost. The Trusts intend to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

Classification of the Trust's financial liabilities remained unchanged. Financial liabilities consisting of financing, trade payables and other payables which are financial liabilities, continue to be measured at amortised cost.

The adoption of this Standard results in changes in accounting policies for the recognition, classification, measurement and derecognition of financial instruments and impairment of financial assets, and has no material financial impact other than the disclosures made in the Trust's financial statements.



A1. BASIS OF PREPARATION (CONTD.)

(b) MFRS 15 Revenue from Contracts with Customers

This Standard establishes a five-step model that will apply to recognition of revenue arising from contracts with customers, and provide a more structured approach in measuring and recognising revenue. Under this Standard, revenue will be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The adoption of this Standard results in changes in accounting policies for revenue recognition, and has no material financial impact other than the disclosures made in the Trust's financial statements.

A2. AUDIT REPORT FOR PRECEDING FINANCIAL YEAR

The audit report of the financial statements for the preceding year ended December 31, 2017, 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 RM2.35 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 38.82% from 39.30%.

A7. INCOME DISTRIBUTION PAID

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

A valuation exercise was carried out on the entire real estate investments of AHP during the quarter under review pursuant to Clause 10.02(b) Guidelines on Listed REITs issued by the Securities Commission. The valuation exercise reveals total market value of RM459.8 million resulting in unrealised loss on valuation of RM0.08 million or 0.02% from carrying value of RM459.88 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	Audited as at end of current period		Audited as at preceeding financial year end	
	(RM'000)	(%)	(RM'000)	(%)
Real estate	438,991	95.68	446,770	95.32
Deposits with financial institutions, cash and bank balances	19,831	4.32	21,938	4.68
	<u>458,822</u>	<u>100.00</u>	<u>468,708</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

**Current quarter results**

For the quarter ended December 31, 2018, the Trust recorded a total revenue of RM8.128 million, representing an increase of RM0.504 million or 6.61% from RM7.624 million achieved in the corresponding quarter in 2017.

Total expenditure for the quarter under review was RM5.427 million, representing an increase of RM0.813 million or 17.62% from RM4.614 million recorded in the corresponding period in 2017. The increase was mainly due to the higher property operating expenditure during the current quarter in 2017.

For the quarter under review, the Trust recorded an income before taxation of RM2.618 million, a decrease of RM6.690 million or 71.87% from RM9.308 million recorded in the corresponding quarter 2017. Income before taxation for the corresponding period last year was higher due to unrealised gain on the valuation of real estate of RM6.2 million.

Realised net income after taxation for the quarter under review was RM2.775 million, a reduction of RM0.235 million or 7.81% from RM3.010 million recorded in the corresponding quarter in 2017.

**Current year results**

For the current year ended December 31, 2018, the Trust recorded a total revenue of RM31.848 million, representing an increase of RM1.928 million or 6.44% from RM29.920 million achieved in 2017. The increase was mainly due to new tenancies at Plaza VADS.

Total expenditure for the current year ended December 31, 2018 was RM19.524 million, representing an increase of RM1.039 million or 5.62% from RM18.485 million recorded in 2017. The increase was mainly due to the higher property operating expenditure during the year ended December 31, 2018.

For the year under review, the Trust recorded an income before taxation of RM12.241 million which represents a decrease of RM5.492 million or 30.97% from income before taxation of RM17.733 million recorded in 2017. Income before taxation for 2017 was higher due to unrealised gain on the valuation of real estate of RM6.2 million.

Total net asset value for the year was RM282.165 million (RM1.2826 per unit), representing an increase of RM0.989 million (RM0.0045 per unit) or 0.35% from RM281.176 million (RM1.2781 per unit) recorded in 2017.

Realised net income after taxation for the year was RM12.398 million, an increase of RM0.963 million or 8.42% from RM11.435 million recorded in 2017.

B2. MATERIAL CHANGE IN INCOME BEFORE TAXATION FOR THE QUARTER AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER

Income before taxation for the quarter ended December 31, 2018 was RM2.618 million, representing a decrease of RM1.073 million or 29.07% as compared to income before taxation of RM3.691 million recorded in the immediate preceding quarter ended September 30, 2018. The decrease was mainly due to higher property operating expenditure incurred in the current quarter.

B3. CHANGES IN THE STATE OF AFFAIRS

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

B4. SUMMARY OF EARNINGS PER UNIT, NET ASSET VALUE AND MARKET PRICE

	Current Year To-date	As at Preceding Financial Year End
Number of units in circulation/listed ('000)	220,000 *	220,000 *
Total comprehensive income (RM'000)	12,319	17,418
Earnings per unit (sen)	5.60	7.92
Net asset value (RM'000)	282,165	281,176
Net asset value per unit (RM)	1.2826	1.2781
Market price per unit (RM)	0.780	0.835

\* 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 December 31, 2018 (11,139,700 units, representing approximately 5.06% as at preceding financial year end).

B5. PROSPECTS

According to the Ministry of Finance (MoF), the Malaysian economy in 2019 is forecasted to grow between 4.8% to 4.9% supported by sound domestic demand. The private sector expenditure is expected to remain as the key driver of Malaysia's economic growth, cushioning the effects of lower public sector spending in 2018 and 2019.

Meanwhile, the Malaysian Institute of Economic Research (MIER) forecasted that the Malaysian economy is expected to grow at a slower pace this year as well as next year, putting less stress on the domestic demand. Real GDP is projected to grow at 5.5% year-on-year (y-o-y) for 2018 and is expected to further moderate to a range of 4.8 - 5.3% in 2019, after recording 5.9% growth 2017. Domestic demand continues to be the engine of growth, growing by 5.8% y-o-y, and further reinforced by upbeat export demand. Growth in domestic demand is largely attributed to private consumption as public spending as well as investment growth for this year is expected to moderate. This is partly due to the government commitment to address the issue of high public debt amid a reduction in revenues causing by the decision to zero-rate goods and services tax (GST). The newly elected government has also decided to review selected big-ticket investments in its effort to reduce public debt.

As for the property market, it is expected that it will remain another challenging year for 2019. The situation seems to impact all classes of property be it residential, commercial and Purpose-Built Office.

B5. PROSPECTS (CONTD)

According to the National Property Information Centre's (NAPIC) Property Overhang Report for the second quarter 2018, Malaysia has an overhang of 29,227 residential units, valued at RM17.24bil as at June 30, 2018.

Bank Negara Malaysia (BNM) in its statement had indicated that the excess supply of office space and shopping complexes is also expected to persist as vacancy rates deteriorated further in the first quarter of 2018. At present NAPIC's data showed a national occupancy rate of 77.4% for office spaces and 80.2% for shopping complexes. Thus, the occupancy rate is expected to deteriorate further in view of the incoming supply of new spaces in 2019.

With this in mind, PHNB as the manager of AHP will strive to continue to improve its portfolio performance by lowering the vacancy rates and tenant retention whilst sourcing for new accretive assets with the aim of generating better yield to ensure sustainable income stream for AHP.

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 were no pending material litigation since the date of the last audited financial statements up to the date 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 RM0.100 million has been incurred during the quarter under review.

B11. SOFT COMMISSION

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

B12. INCOME RECOGNITION

(i) Rental

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) 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% (2017: 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 RM130,000 (2017: RM130,000).

B15. TRANSACTIONS WITH STOCKBROKING COMPANIES

No transaction recorded during the current quarter.

B16. 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 Value (%)
Real estate	7	409,856	438,991	155.58
Deposits with financial institutions, cash and bank balances		19,831	19,831	7.03
Total		<u>429,687</u>	<u>458,822</u>	162.61

B17. TAXATION

The Trust is 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, 2018.

B17. TAXATION (CONTD.)

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>2,618</u>	<u>12,241</u>
Taxation at Malaysian statutory tax rate of 24%	628	2,938
Effect on income not subject to tax	(130)	(165)
Effect on expenses not deductible for tax purposes	90	52
Effect on income distribution exempted from tax at trust level	(588)	(2,825)
Overprovision of tax expense in previous years	(74)	(74)
Effect of deferred tax recognised at RPGT rate	(4)	(4)
Tax expense for the period	<u>(78)</u>	<u>(78)</u>

B18. BORROWINGS AND DEBT SECURITIES

As at 31 December 2018, there were no debt securities issued.

Total borrowings as at 31 December 2018 were as follows:

<u>Denominated in RM</u>	Secured RM'000
Islamic revolving credit (current)	62,438
Islamic term loan (non-current)	<u>125,000</u>
	<u>187,438</u>

B19. INCOME DISTRIBUTION DECLARED

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

	Gross RM'000	Net RM'000	Payment Date
Interim income distribution of 2.65 sen per unit (Entitlement based on Record of Depositors as at August 23, 2018)	5,830	5,830	30 Aug. 2018
Proposed final income distribution of 2.98 sen per unit (Entitlement based on Record of Depositors as at 21 February 2019)	6,556	6,556	28 Feb. 2019
Total distribution for the period/year	<u>12,386</u>	<u>12,386</u>	
Interim income distribution per unit (sen)	<u>2.65</u>	<u>2.65</u>	
Proposed final income distribution per unit (sen)	<u>2.98</u>	<u>3.05</u>	
Distribution per unit (sen)	<u>5.63</u>	<u>5.63</u>	

The effect of the final income distribution on the net asset value per unit:

	Before Distribution RM	After Distribution RM
Net asset value per unit	<u>1.2826</u>	<u>1.2528</u>

B19. INCOME DISTRIBUTION DECLARED (CONTD.)

Income distribution for the previous corresponding period, is as follows:

	Gross RM'000	Net RM'000	Payment Date
Interim income distribution of 2.70 sen per unit (Entitlement based on Record of Depositors as at August 22, 2017)	5,940	5,940	30 Aug. 2017
Proposed final income distribution of 2.50 sen per unit (Entitlement based on Record of Depositors as at 21 February 2018)	5,500	5,500	28 Feb. 2018
Total distribution for the period/year	<u>11,440</u>	<u>11,440</u>	
Interim income distribution per unit (sen)	<u>2.70</u>	<u>2.70</u>	
Final income distribution per unit (sen)	<u>2.50</u>	<u>2.50</u>	
Distribution per unit (sen)	<u>5.20</u>	<u>5.20</u>	

B20. STATEMENT OF INCOME DISTRIBUTION

	Current Quarter RM'000	Corres- ponding Quarter RM'000	Current year-to- date RM'000	Corres- ponding year-to- date RM'000
Net rental income	5,534	5,794	23,518	22,730
Interest income	128	203	606	678
Realised gain/(loss) on sale of real estate/investment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	5,662	5,997	24,124	23,408
<u>Less:</u>				
Expenses	(2,961)	(2,987)	(11,800)	(11,973)
Taxation	<u>74</u>	<u>-</u>	<u>74</u>	<u>-</u>
Realised income for the period/year	2,775	3,010	12,398	11,435
Previous year's undistributed realised income	<u>19,700</u>	<u>18,507</u>	<u>15,577</u>	<u>13,382</u>
Total realised income available for distribution	22,475	21,517	27,975	24,817
<u>Less:</u>				
Final income distribution paid (for previous financial year)	-	-	(5,500)	(3,300)
Interim income distribution for the six-month period ended December 31, 2018	<u>(5,830)</u>	<u>(5,940)</u>	<u>(5,830)</u>	<u>(5,940)</u>
Balance undistributed realised income	<u>16,645</u>	<u>15,577</u>	<u>16,645</u>	<u>15,577</u>
Distribution per unit (sen):				
Final income distribution paid (for previous financial year)	-	-	2.50	1.50
Interim income distribution for the six-month period ended December 31, 2018	2.65	2.70	2.65	2.70



B21. OTHER INFORMATION

The following items which are required to be disclosed pursuant to Part A of Appendix 9B of the Main Market Listing Requirements are not applicable to the Trust:

- a. provision for and write off of inventories
- b. foreign exchange gain or loss
- c. gain or loss on derivatives

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 December 31, 2018 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 January 29, 2019.

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)