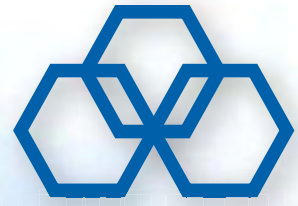


ANNUAL REPORT

2012



Amanah Harta Tanah PNB



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Corporate Information

Manager

Pelaburan Hartanah Nasional Berhad (175967-W)
(Incorporated in Malaysia)

Registered Office Of The Manager

Tingkat 4, Balai PNB
201-A, Jalan Tun Razak
50400 Kuala Lumpur
Telephone : 03-20505100
Facsimile : 03-20505878
Website : www.ahp.com.my
E-mail : phnb@pnb.com.my

Board Of Directors Of The Manager

Tun Ahmad Sarji bin Abdul Hamid
(Chairman)
Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman
Tan Sri Dato' Seri Ainum binti Mohamed Saaid
Dato' Seri Mohd. Hussaini bin Haji Abdul Jamil
Dato' Abd. Wahab bin Maskan
Dato' Idris bin Kechot

Secretary Of The Manager

Adibah Khairiah binti Ismail @ Daud (MIA 13755)
Tingkat 4, Balai PNB
201-A Jalan Tun Razak
50400 Kuala Lumpur.

Management Of The Manager

Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman
(Executive Director)
Dato' Idris bin Kechot
(Executive Director)
Hafidz Atrash Kosai bin Mohd Zihim
(Chief Executive Officer)

Trustee

AmanahRaya Trustees Berhad (766894-T)
Tingkat 2, Wisma TAS
No. 21, Jalan Melaka
50100 Kuala Lumpur
Telefon : 03-20365000
Facsimile : 03-20720320

Investment Manager

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

Property Manager

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

Registrar Of The Trust In Charge Of The Register Of Unitholders

Symphony Share Registrars Sdn. Berhad (378993-D)
Level 6 Symphony House
Pusat Dagangan Dana 1
Block D13
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Telephone : 03-78418000
Facsimile : 03-78418152

Auditors

Messrs. Hanafiah Raslan & Mohamad (AF 0002)

Solicitors Advising The Manager In Connection With The Trust

Messrs. Zainal Abidin & Co.

Bankers For The Trust

Maybank Islamic Berhad (787435-M)
CIMB Islamic Bank Berhad (671380-H)

Stock Exchange Listing

Bursa Malaysia Securities Berhad

Board Of Directors Of The Manager



TUN AHMAD SARJI BIN ABDUL HAMID
(Chairman)



**TAN SRI DATO' SRI HAMAD
KAMA PIAH BIN CHE OTHMAN**



**TAN SRI DATO' SERI AINUM
BINTI MOHAMED SAAID**



**DATO' SERI MOHD. HUSSAINI
BIN HAJI ABDUL JAMIL**



**DATO' ABD. WAHAB
BIN MASKAN**



DATO' IDRIS BIN KECHOT

Management Of The Manager



**TAN SRI DATO' SRI HAMAD KAMA PIAH
BIN CHE OTHMAN**
(Executive Director)



DATO' IDRIS BIN KECHOT
(Executive Director)



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



**ADIBAH KHAIRIAH
BINTI ISMAIL @ DAUD**
(Company Secretary)

Chairman's Statement



TUN AHMAD SARJI BIN ABDUL HAMID

On behalf of the Board of Directors of Pelaburan Hartanah Nasional Berhad (PHNB), as the Manager of Amanah Harta Tanah PNB (AHP), it is my pleasure to present the Annual Report of AHP for the year ended December 31, 2012.

FINANCIAL RESULTS

For the financial year ended December 31, 2012, AHP earned a total investment income of RM12.7 million, which represents an increase of 3.93% from RM12.22 million recorded in 2011. The increase was mainly attributed to the revaluation surplus of RM2.58 million arising from the revaluation of real estate investment during the year as compared to RM2.16 recorded in 2011.

The total expenses for 2012 was RM2.38 million, representing an increase of 12.26% from RM2.12 million recorded in 2011, which was mainly due to the increase in financing cost. Income before taxation for the year improved by 2.18% to RM10.32 million as compared to RM10.10 million recorded in 2011.

DISTRIBUTION OF INCOME

The Board of Directors and the Trustee, AmanahRaya Trustees Berhad (ART), have approved a final income distribution of 3.70 sen a unit for the period from July 1, 2012, to December 31, 2012, which is payable on February 28, 2013. With

an interim income distribution of 3.70 sen a unit for the period from January 1, 2012, to June 30, 2012, which was paid on August 30, 2012, the total income distribution for the financial year ended December 31, 2012, amounts to RM7.4 million or 7.40 sen a unit. This represents the same amount of total income distributed in 2011.

INVESTMENT PORTFOLIO OF AHP

The value of the investment of AHP as at December 31, 2012, amounted to RM176.96 million. This comprises investment in real estates at a fair value of RM161.15 million, investment in quoted shares at market value of RM2.0 million and short-term investment of RM13.81 million.

INVESTMENT IN REAL ESTATE

As at December 31, 2012, the real estates in the portfolio of AHP has been reduced to nine following the completion of disposal of a shop premises located in Melaka. The average occupancy rate of real estates of AHP was 90.30% with Bangunan AHP, located at Taman Tun Dr. Ismail, Kuala Lumpur and Sri Impian, located at Taman Setiawangsa, Kuala Lumpur securing 100% occupancy level. Plaza VADS, located at Taman Tun Dr. Ismail, Kuala Lumpur, recorded a high occupancy level of 86.92% despite the on-going upgrading and refurbishment works. The remaining six real estates of AHP, comprising shop premises, recorded average occupancy rates of 67.52% with three of the shop premises recording 100% occupancy.

On another note, the upgrading and refurbishment of Plaza VADS (the Project) consist of two (2) phases; Phase 1: refurbishment and upgrading works to typical lifts lobbies, toilets, staircases, common corridors, electrical fit-out and fire protection and Phase 2; construction of new annex block and refurbishment of the main lobby and building façade.

Phase 1 has been completed by the appointed contractor on April 2012 and presently Phase 2 is in progress of finalization of the structural strengthening methods for the existing podium block. The target completion of Phase 2 is expected by June 2014 with the total estimated cost of the construction for upgrading and refurbishment for both phases at approximately RM59 million.

REVIEW OF THE PROPERTY MARKET

In the first three quarters of 2012, the domestic economy grew by an estimated average of 5.3% from 5.1% in 2011. The domestic economy could have grown by over 5.0% in 2012. This was despite the eurozone being in a recession and the still sluggish performance of the U.S. economy. Global growth had also been weighed down by the slowdown in China and Japan, the second and third largest economies in the world respectively given the softening in global external demand. However, the low food and oil prices in 2012 had supported growth during the year. According to the International Monetary Fund (IMF) in January 2013, the global economy is to expand by 3.2% in 2012 from 3.9% in 2011.

Growth of the Malaysian economy had been hampered by the lackluster demand for local goods given the weakness in the global economy which had dampened global external demand. However, domestic demand and consumption had remained robust given the favourable performance of private consumption and investment activities by both the private and public sectors. The Economic Transformation Programme (ETP), which had provided a boost to private investment, continued to be the key driver of growth in 2013. The benchmark interest rate, the Overnight Policy Rate (OPR), was maintained at the 3.00% level throughout the year as Bank Negara Malaysia (BNM) maintained its accommodative monetary policy stance amidst low inflation and moderate growth performance. BNM continued to manage the ample liquidity in the Malaysian economy effectively.

The overall performance of the domestic property market for the first three quarters 2012 was in tandem with further investment activities under the ETP particularly the infrastructure projects, oil, gas and energy as well as Greater Kuala Lumpur. From January to September 2012, demand for the purpose-built office (PBO) sub sector had increased by 379,590 square meters (sq.m.) or 2.6% to 14.78 million sq. m. from 14.4 million sq. m. as at 1st January 2012. Kuala Lumpur had absorbed 10% of the total news spaces. As at the end of third quarter 2012, the national occupancy rate stood at 82.9% or equivalent to 14.8 million sq m. Kuala Lumpur had recorded 78.5% of occupancy rate and dominated 38% of the total occupied space nationwide. On the supply side, the PBO space increased by 2.2 % or 384,372 sq. m. for the first three quarters of 2012 to 17.82 million sq. m. from 17.44 million sq. m. as at January 2012. As at the end of third quarter 2012, the total supply of PBO in Malaysia stood at 17.8 million sq. m. Of this total, 40% were in Kuala Lumpur.

PROSPECTS

The global economy is expected to chart positive growth in 2013 although downside risks remain significant on prospects of a fiscal consolidation in advanced economies. The prevailing eurozone crisis and the possibility of a U.S fiscal cliff - a combination of 607 billion dollars of spending cuts and tax increases – being realised and the need to raise the U.S. legal debt limit early 2013 are impacting global confidence and slowing growth. Likewise, the high and rising unemployment rate in some advanced economies continue to dampen consumption and spending. The IMF is forecasting the global economy to expand modestly by 3.5% in 2013 from 3.6% projected previously.

The growth of the Malaysian economy is expected to be sustained in 2013 amidst the weakness in global growth. The ETP projects, in their third year of implementation, would help sustain the growth momentum of the domestic economy by further spurring domestic investment and boosting private sector activities. Meanwhile, the people friendly Budget 2013 would continue to promote the well-being of Malaysians, which in turn, would augur well for consumption growth. In tandem, BNMs monetary policy is expected to remain supportive of growth and this would enable economic expansion to be sustained by domestic demand amidst the fragile global recovery. The government is projecting the growth of the domestic economy at a slightly faster pace of 4.5-5.5% in 2013 from 4.5-5.0% estimated for 2012.

Against this backdrop, the performance of the domestic property market is expected to remain positive through this year in tandem with the growth prospect of the economy and following higher spillover effects of the various ETP, 10th Malaysian Plan and high-impact projects in Greater Kuala Lumpur, Iskandar Malaysia and other areas in the country. According to the Valuation and Property Service Department statistics, PBO sub-sector in Malaysia is expected to receive another 2.04 million sq. m. of new supply between 2013 and 2015, of which an estimated 1.04 million sq. m. or 51% will be in Kuala Lumpur.

APPRECIATION

I would like to extend my appreciation to members of the Board of Directors of PHNB for their continuous support throughout the year. On behalf of the members of the Board of Directors of PHNB, I would also like to convey our appreciation to all staff members of PHNB for their hard work and dedication. I would also like to thank AmanahRaya Trustees Berhad and its staff members for their contribution to AHP and express our appreciation to the unit holders of AHP for their continued support to AHP.

TUN AHMAD SARJI BIN ABDUL HAMID

Chairman

Statement Of Particulars Of Directors Of The Management Company

Board of Directors' Attendance Record

Director	Attendance at Board of Directors' Meeting Held on						Date of Appointment
	16.01.2012	26.01.2012	01.03.2012	22.05.2012	16.07.2012	10.12.2012	
Tun Ahmad Sarji bin Abdul Hamid	✓	✓	✓	✓	✓	✓	22.01.1997
Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman	✓	✓	✓	✓	✓	✓	24.06.1998
Tan Sri Dato' Seri Ainum binti Mohamed Saaid	✓	✓	✓	✓	✓	✓	31.03.2009
Dato' Seri Mohd. Hussaini bin Haji Abdul Jamil	✓	✓	✓	✓	✓	✓	12.11.1998
Dato' Abd. Wahab bin Maskan	✓	✓	✓	✗	✓	✗	17.09.1990
Dato' Idris bin Kechot	✗	✓	✓	✗	✓	✓	03.03.2010

✓ Present

✗ Absent with Apologies

Other Information

(i) Relationship

There were no family relationship among the Directors and/or major unitholders.

(ii) Conflict of Interest

None of the Directors has any conflict of interest with AHP, except Dato' Seri Mohd. Hussaini bin Haji Abdul Jamil who holds 12, 000 units in AHP.

(iii) Conviction for Offences

None of the directors has been convicted for any offences other than traffic offences within the past ten (10) years.

(iv) Board of Committee

The Board of Directors of the management company has established a Property Investment Committee to assist the Board in discharging its duties. Members of the Property Investment Committee comprise members from the Board of Directors as well as external members, who are as follows:-

No.	Member
1.	Dato' Seri Mohd. Hussaini bin Haji Abdul Jamil (Chairman)
2.	Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman
3.	Dato' Johan bin Ariffin
4.	Dato' Ir. Jamaluddin bin Osman
5.	Professor Dato' Dr. Nik Mohd. Zain bin Haji Nik Yusof

There were no other board committee established by the management company. However, the financial statements of AHP were presented to the Audit Committee of Permodalan Nasional Berhad (PNB), being the holding company of the management company. None of the members of the Audit Committee of PNB were the directors of the management company.

Statement Of Particulars Of Directors Of The Management Company (Cont'd)

(v) Directors' Training

All directors have attended various in-house and external programmes to enable them to discharge their duties and responsibilities effectively. In addition, all directors are encouraged to attend seminars, conferences and various training programmes to keep abreast with developments in the real estate industry.

Conferences, seminars and training programmes attended by directors in the current year are as follows:

- PNB Nominee Directors Convention and Executive Luncheon Talk 2012
- Senior Management Presentation for Business Continuity Management Project
- Senior Management Series: Global Issues Influencing the Capital Market Outlook
- Senior Management Series: Personal Data Protection Act 2010
- Senior Management Series: Behavioral Finance (Neuroscience), Business Strategy & The Market
- Lean Six Sigma Awareness
- Global Islamic Wealth and Asset Management – Capitalising Challenges & Opportunities
- Islamic Financial Planning and Wealth Management Conference
- High Performance Leadership

(vi) Other Directorship of Public Companies

Director	Public Companies
Tun Ahmad Sarji bin Abdul Hamid	<ol style="list-style-type: none"> 1. NCB Holdings Berhad 2. Yayasan Pelaburan Bumiputra 3. Permodalan Nasional Berhad 4. Amanah Saham Nasional Berhad 5. Kontena Nasional Berhad 6. The International and Commonwealth University of Malaysia Berhad 7. Amanah Mutual Berhad 8. Yayasan Karyawan 9. Professional Golf of Malaysia
Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman	<ol style="list-style-type: none"> 1. Sime Darby Berhad 2. Chemical Company of Malaysia Berhad 3. Permodalan Nasional Berhad 4. Amanah Saham Nasional Berhad 5. Sime Darby Property Berhad 6. Amanah Mutual Berhad 7. Yayasan Karyawan 8. Securities Industry Dispute Resolution Center 9. Professional Golf of Malaysia
Tan Sri Dato' Seri Ainum binti Mohamed Saaid	<ol style="list-style-type: none"> 1. Permodalan Nasional Berhad 2. Amanah Saham Nasional Berhad
Dato' Seri Mohd. Hussaini bin Haji Abdul Jamil	Nil
Dato' Abd. Wahab bin Maskan	<ol style="list-style-type: none"> 1. Eastern & Oriental Berhad 2. Sime Darby Property Berhad 3. Kuala Lumpur Golf & Country Club Berhad
Dato' Idris bin Kechot	<ol style="list-style-type: none"> 1. Amanah Capital Malaysia Berhad 2. Amanah Saham Nasional Berhad 3. Amanah Mutual Berhad

Profile Of Directors Of The Manager



TUN AHMAD SARJI BIN ABDUL HAMID
(Non-Independent Non-Executive Chairman)

Tun Ahmad Sarji bin Abdul Hamid, aged 74, a Malaysian, was appointed to the Board of Directors of PHNB on January 22, 1997, by virtue of his position as the Chairman of Permodalan Nasional Berhad (PNB). Prior to his appointment as the Chairman of PNB, Tun Ahmad Sarji was the Chief Secretary to the Government. He had more than 35 years of experience in the public service.

He was selected as the “Tokoh Maal Hijrah” for the Islamic year 1420 (1999). He was President, Commonwealth Association for Public Administration and Management from 1996 to 1998. Tun Ahmad Sarji also represents the PNB Group as Chairman of several companies.

Tun Ahmad Sarji graduated from the University of Malaya in 1960. He also holds a Masters Degree in Public Administration from Harvard University, the United States of America and a Diploma in Public Administration from the Institute of Social Studies, The Hague, Netherlands.

Tun Ahmad Sarji is formerly the Chairman of the Institute of Islamic Understanding Malaysia, a member of the Board of Trustees, Oxford Centre for Islamic Studies, University of Oxford, the United Kingdom, and the Asian Institute of Management, Manila, the Philippines, and Joint-Chairman, Malaysia Centre for Commonwealth Studies, University of Cambridge, the United Kingdom.



**TAN SRI DATO' SRI HAMAD KAMA PIAH
BIN CHE OTHMAN**
(Non-Independent Executive Director)

Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman, aged 61, a Malaysian, was appointed as a Director of PHNB on June 24, 1998, following his appointment as the Group Chief Executive of PNB on February 1, 1998. His working experience spans over 33 years in the field of investment and unit trust management and currently he is the President and Group Chief Executive of PNB. He is also a member of the Board of Directors of PNB, Amanah Saham Nasional Berhad and Amanah Mutual Berhad as well as a member of the Board of Trustees of the Merdeka Heritage Trust.

Tan Sri Dato' Sri Hamad Kama Piah is also the Chairman of the Board of Directors of Universiti Malaysia Kelantan since May 2007 and sits on the Board of Directors of a number of Malaysian companies. A graduate of Institut Teknologi MARA (presently known as Universiti Teknologi MARA), he also holds a Masters degree from the University of Swansea, United Kingdom. He is a Senior Fellow of the Financial Services Institute of Australasia (FINSIA). He also holds the designation of a Certified Financial Planner and a Registered Financial Planner, and represents the PNB Group as Director in several other companies.



**TAN SRI DATO' SERI AINUM
BINTI MOHAMED SAAID**

(Independent Non-Executive Director)

Tan Sri Dato' Seri Ainum binti Mohamed Saaid, aged 66, a Malaysian, was appointed to the Board of Directors of PHNB on March 31, 2009. She also sits on the Board of Directors of Permodalan Nasional Berhad and Amanah Saham Nasional Berhad. Tan Sri Dato' Seri Ainum holds a Bachelor Degree in Law from the University of Singapore and a Masters Degree in law from the University of Brussels.

Tan Sri Dato' Seri Ainum was Deputy Chief Executive in the Securities Commission from 1991 to 2001, and served as Attorney General in 2001. She joined the private sector as an Executive Director in Pengkalan Holdings Berhad in 1996. She served as Group Legal Advisor for the Corus Hotels Group UK and later joined Laura Ashley in UK in 2002. She was then appointed Laura Ashley UK's Joint Chief Executive Officer and resigned as its Chief Executive Officer in January 2005. Tan Sri Dato' Seri Ainum was appointed as an Independent Non-Executive Director of Sime UEP Properties Berhad from March 2005, to November 2007.



**DATO' SERI MOHD. HUSSAINI
BIN ABDUL JAMIL**

(Independent Non-Executive Director)

Dato' Seri Mohd. Hussaini bin Abdul Jamil, aged 76, a Malaysian, was appointed to the Board of Directors of PHNB on November 12, 1998. Dato' Seri Mohd. Hussaini graduated with a Bachelor of Arts (Hons) Degree from University of Malaya in 1960 and obtained a Post Graduate Diploma in Development Planning from the University of London, the United Kingdom in 1973.

During his more than 30 years in Government service, he has occupied various senior positions. In 1982, he was appointed as the Deputy Secretary-General of the Treasury of Malaysia. In 1990 he was appointed as Secretary-General of the Ministry of Health until his retirement in 1991. Dato' Seri Mohd. Hussaini is also currently a Director of several other companies.

Profile Of Directors Of The Manager (Cont'd)



DATO' ABD. WAHAB BIN MASKAN
(Independent Non-Executive Director)

Dato' Abd. Wahab bin Maskan, aged 62, a Malaysian, was appointed to the Board of Directors of PHNB on September 17, 1990.

Dato' Abd. Wahab is the Group Chief Operating Officer of Sime Darby Berhad and Managing Director of Sime Darby Property Berhad. Dato' Abd. Wahab had held the positions of Group Chief Executives of Kumpulan Guthrie Berhad (KGB) and Golden Hope Plantation Berhad.

He has also held positions as Director of a number of local and overseas companies dealing in property, plantation and other sectors.

Dato' Abd. Wahab holds a Bachelor of Science Degree in Management (Real Estate) from the University of Reading, England. He is a Fellow of the Royal Institution of Surveyors (Malaysia) (FRISM), a Fellow of the Royal Institution of Chartered Surveyors (England and UK) (FRICS) and a Fellow of the Incorporated Society Planters (FISP) and a Fellow of Malaysian Institute of Management (FMIM).



DATO' IDRIS BIN KECHOT
(Non-Independent Executive Director)

Dato' Idris bin Kechot, aged 57, a Malaysian, was appointed to the Board of Directors of PHNB on March 3, 2010. He also sits on the Board of Directors of Amanah Saham Nasional Berhad and Amanah Mutual Berhad. He graduated with a Master of Business Administration (Finance) from University of Stirling, United Kingdom.

Dato' Idris is also the Deputy President, Unit Trust, PNB and has held various key positions in the management of PNB.

Particulars Of Members Of The Property Investment Committee

Investment Committee Members' Attendance Record

Member	Attendance at Property Investment Committee Members' Meeting Held on	Date of Appointment
	17.04.2012	
Dato' Seri Mohd. Hussaini bin Haji Abdul Jamil	✓	04.01.2004
Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman	✓	04.01.2004
Dato' Johan bin Ariffin	✓	04.01.2004
Dato' Ir Jamaluddin bin Osman	✓	04.01.2004
Professor Dato' Dr. Nik Mohd. Zain bin Haji Nik Yusof	✓	04.01.2004

Other Information

(i) Conflict of Interest

None of the members of property investment committee has any conflict of interest with AHP, except Dato' Seri Mohd. Hussaini bin Haji Abdul Jamil who holds 12, 000 units in AHP.

(ii) Conviction for Offences

None of the members has been convicted for any offences other than traffic offences within the past ten (10) years.

(iii) Profile of members of the Property Investment Committee

DATO' SERI MOHD. HUSSAINI BIN HAJI ABDUL JAMIL

Independent Chairman

Please refer to Director's Profile

TAN SRI DATO' SRI HAMAD KAMA PIAH BIN CHE OTHMAN

Non-Independent Member

Please refer to Director's Profile

DATO' JOHAN BIN ARIFFIN

Independent Member

Dato' Johan bin Ariffin, aged 53, a Malaysian, was appointed as a member of the Property Investment Committee of the Board of Directors on January 4, 2004. Dato' Johan graduated with a Bachelor of Arts Degree in Economics from Indiana University, Bloomington Indiana, USA in 1980 and obtained his MBA (Marketing) from University of Miami, Coral Gables, Florida, USA in 1981.

Presently, Dato' Johan is the Chairman of Mitraland Properties Sdn Bhd and a Board Member of Malayan Banking Berhad and Sime Darby Property Berhad. He is also currently a Director of several other companies.

Particulars Of Members Of The Property Investment Committee (Contd.)

DATO' IR. JAMALUDDIN BIN OSMAN

Independent Member

Dato' Ir Jamaludin bin Osman, aged 57, a Malaysian was appointed as a member of the Property Investment Committee of the Board of Directors on January 4, 2004.

Dato' Ir Jamaludin holds a degree in Civil Engineering from University Teknologi Malaysia and in 1992, completed a Management Development Programme with the Asian Institute of Management. He is a registered professional engineer with the Board of Engineers Malaysia and a member of the Institute of Engineers Malaysia.

Dato' Ir Jamaludin started his career as a civil engineer with the Development Authority of Pahang Tenggara in 1979 and subsequently with Dewan Bandaraya Kuala Lumpur. In 1981, he joined Petronas as a Project Engineer, after which he spent 19 eventful years at Syarikat Perumahan Pegawai Kerajaan (SPPK). This served as a platform for him to nurture his marketing and management skills, which led to his appointment as Managing Director of SPPK in 1999, and eventually as Group Managing Director of renowned Island & Peninsular Berhad, property developer in 2005.

With diverse functional and industry background over a period that spans more than three decades, Dato' Ir. Jamaludin has assumed the role of Group Managing Director of the I&P Group of Companies with full accountability across the areas of operational excellence, financial controls, strategic planning and human resource development with an excellent track record in providing leadership to the I&P Group. He also sits on the board of the I&P Group and several other companies including Petaling Garden Sdn. Berhad, Perumahan Kinrara Berhad and Projek Lintasan Kota Holdings Sdn. Berhad.

PROF. DATUK DR. NIK MOHD. ZAIN BIN HAJI NIK YUSOF

Independent Member

Prof. Datuk Dr. Nik Mohd. Zain bin Haji Nik Yusof, aged 66, a Malaysian, was appointed as a member of the Property Investment Committee of the Board of Directors on January 4, 2004.

Prof. Datuk Dr. Nik Mohd Zain graduated with honours from University of Malaya in 1969. Obtained his Masters in Wisconsin, USA and later gained a PhD in law from University of Kent, UK.

Previously, Prof. Datuk Dr. Nik Mohd Zain held key positions in both private and government bodies such as Director of Bank Rakyat and FELDA group of Companies, Director General of Department of Land and Mines, Malaysia, Secretary General of Ministry of Land and Cooperative Development, and Federal Lands Commissioner of Malaysia. In 2002, he represented Malaysia on the dispute over Pulau Sipadan and Pulau Ligitan at the International Court of Justice (ICJ) in Hague, Holland.

Prof. Datuk Dr. Nik Mohd Zain served as professor at the School of Land Administration and Land Development of Universiti Teknologi Malaysia from 2003 to January 2005. Presently he runs his own land and property consulting company called BIG Property Consultants Sdn. Berhad. He also a member of the Malaysian Administrative & Diplomatic Service and the Chairman of Yayasan Peneroka Negara. He is appointed as Adjunct Professor at the Department of Land Management of University Putra Malaysia from January 2006.

Profile Of The Chief Executive Officer Of The Manager



ENCIK HAFIDZ ATRASH KOSAI BIN MOHD ZIHIM

ACA (Ireland), CA (Malaysia)

Encik Hafidz Atrash Kosai bin Mohd Zihim, aged 37, a Malaysian, was appointed the Chief Executive Officer of PHNB on August 30, 2010.

Encik Hafidz is a Fellow of the Institute of Chartered Accountants in Ireland (FCA Ireland) and a Chartered Accountant (CA) of the Malaysian Institute of Accountants. He also holds a Capital Market Services Representative's License from the Securities Commission of Malaysia. He graduated with a First Class Honours Degree in Accounting and Finance from Leicester DeMontfort University, England.

Encik Hafidz has wide experience in the investment and financial sectors. Prior to joining PNB, he was attached with a renowned investment bank and prior to that, was involved in the accounting and auditing sector where he trained professionally and completed his articleship as a Chartered Accountant. He joined PNB in 2003 in the Corporate Finance Department before joining the Office of the President and Group Chief Executive of PNB. Consequently, he was attached to the Corporate Services Department prior to his transfer to PHNB in early 2010.

Besides shouldering professional responsibility in PHNB, Encik Hafidz holds important posts in voluntary organizations such as the Secretary of Famemas Malaysia Sports Supporters Club and as the Vice President of the Malaysian Irish Alumni Association. He is also the Secretary of his Resident's Association and local Rukun Tetangga.

Encik Hafidz has no family relationship with any of the directors and/or major unitholders of AHP. He also has no conflict of interest with AHP and has not been convicted for any offences other than traffic offences within the past 10 years.

Performance Data

Performance Highlights

Financial Year Ended December 31	2012	2011	2010
Total Asset Value (RM'000)	178,566	171,151	159,324
Net Asset Value (RM'000)	159,393	156,469	153,667
Net Asset Value a Unit (sen)	159.39	156.47	153.67
Highest Net Asset Value a unit (sen)	159.39	156.47	153.67
Lowest Net Asset Value a unit (sen)	154.05	151.65	148.39
Unit in Circulation ('000)	100,000	100,000	100,000
Highest Traded Price a Unit (sen)	111.0	111.0	100.0
Lowest Traded Price a Unit (sen)	103.0	95.0	90.0
Distribution to Unitholders (RM'000)	7,400 *	7,400 *	7,200 *
Income Distribution a Unit			
- Interim (sen)	3.70*	3.70*	3.60*
- Date of Distribution	28/08/2012	28/08/2011	27/08/2010
- Final (sen)	3.70*	3.70*	3.60*
- Date of Distribution	28/02/2013	29/02/2012	28/02/2011
Net Asset Value a Unit After Income Distribution (sen)	155.69	152.77	150.07
Distribution Yield (%)	6.73	7.05	7.27
Management Expense Ratio (%)	1.51	1.37	1.17
Portfolio Turnover Ratio (times)	0.06	0.06	0.08

Note : * Exempted from tax at Trust level

Performance Data (Contd.)

Computation of Return

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

Capital Return : $\frac{(\text{End of Year Market Price} - \text{Beginning of Year Market Price}) \times 100}{\text{Beginning of Year Market Price}}$

Income Return : $\frac{\text{Income Distribution}}{\text{End of Year Market Price}}$

NOTE:

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

Average Annual Return

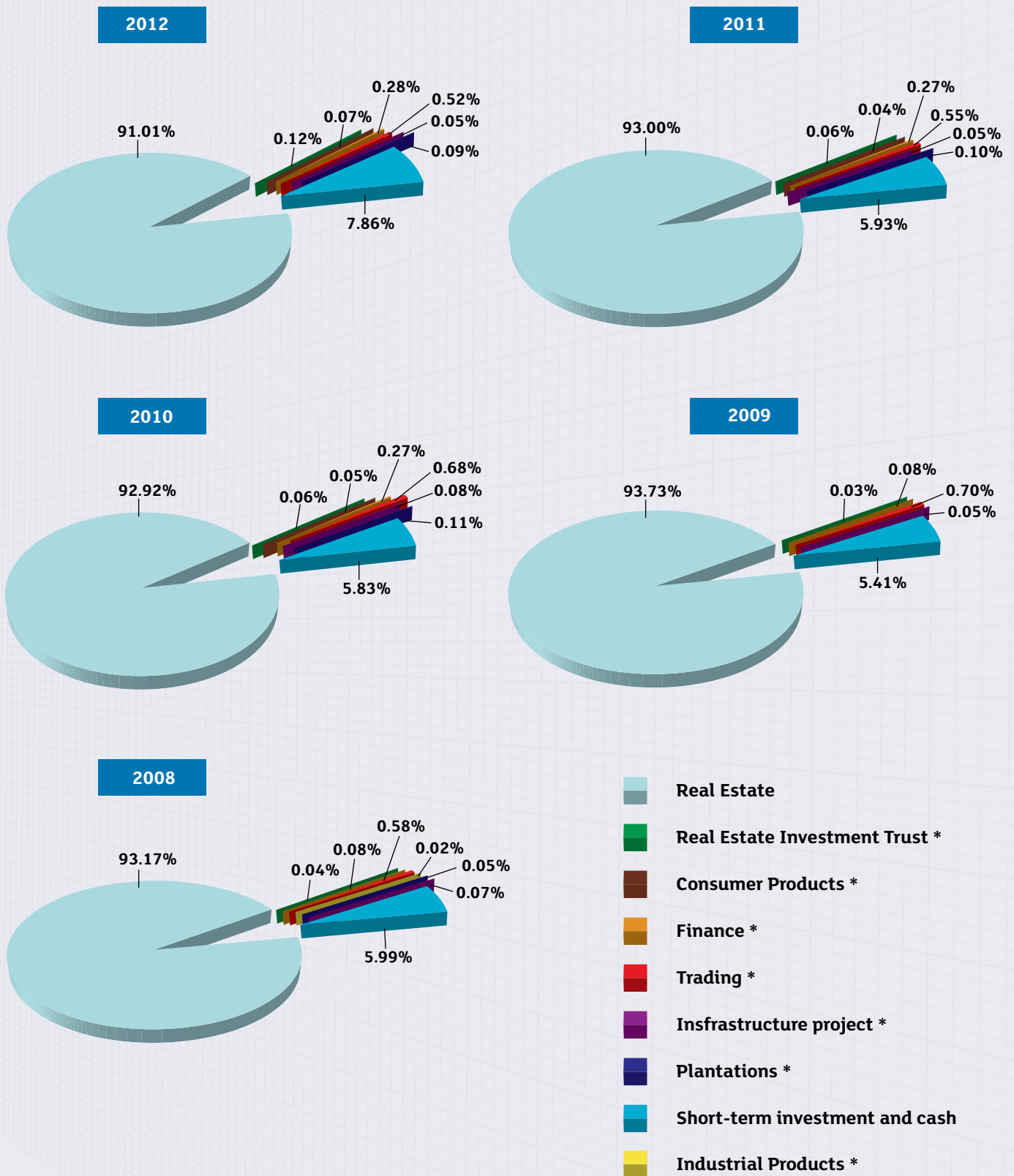
	One Year %	Three Years %	Five Years %	Since 1989 %
AHP	11.81	21.59	17.73	8.38
Kuala Lumpur Composite Index (KLCI)	11.19	10.17	3.33	7.02
Property Index	3.22	9.70	(0.07)	0.68

Annual Total Return For The Last Five Financial Year

Financial Year Ended December 31,	2012	2011	2010	2009	2008
Total Return (%)	11.81	13.54	15.43	32.00	(4.68)
Capital Return (%)	4.76	6.06	7.61	22.67	(12.28)
Income Return (%)	6.73	7.05	7.27	7.61	8.67
Benchmark *	3.22	(2.07)	30.59	53.03	(50.68)

* Benchmark: Property index

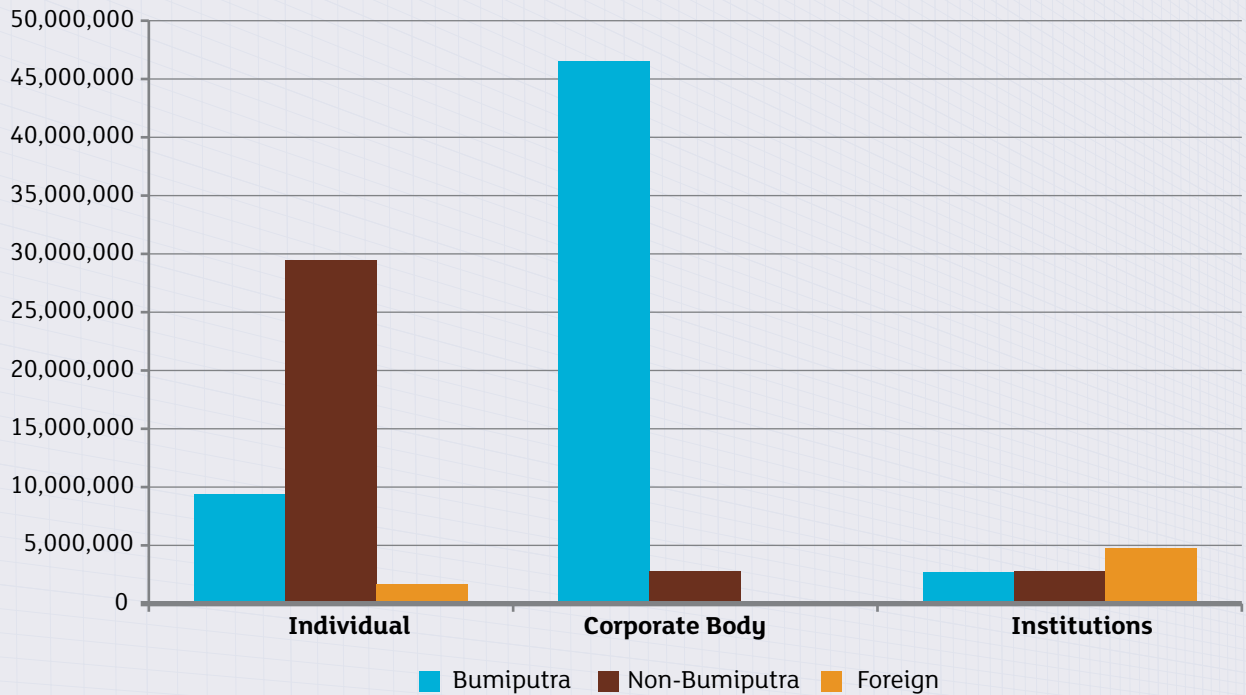
Composition Of Investment Portfolio



Note: * Investment in Quoted shares.

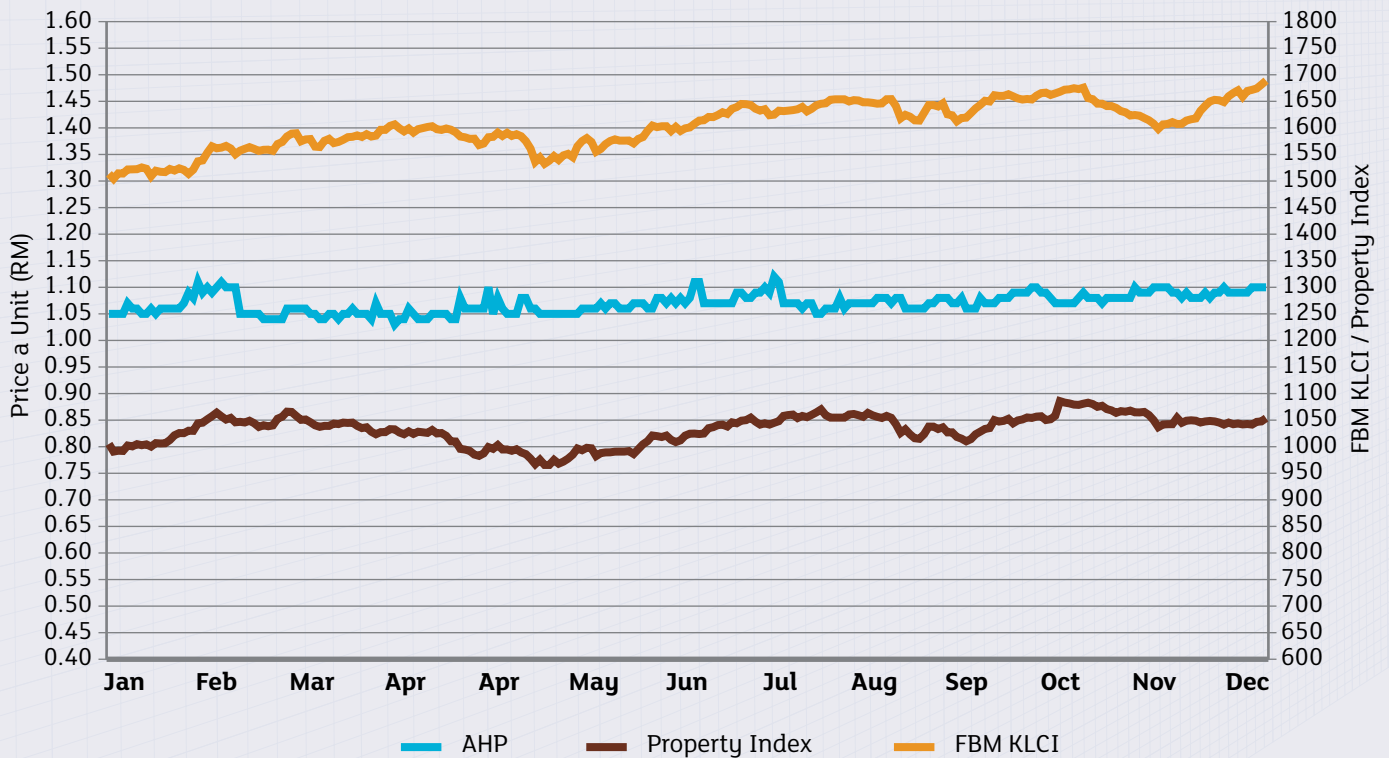
Unitholdings And Market Price

Analysis of unitholdings as at 31 December 2012



Market Price

A unit for the year ended 31 December 2012



Property Portfolio

List Of Real Estate As At 31 December 2012

Description of Real Estate and Location	Land Tenure	Age of Building (years)	Net Lettable Area (sq. ft.)	Date of Acquisition	Cost of Acquisition (RM '000)	Additions (RM '000)	Cost of Acquisitions and Additions (RM '000)	Valuation in 2012 (RM '000)	Net Book Value (RM '000)	Revaluation Surplus / (Deficit)		Method of Valuation (Date of Valuation)
										Valuation in 2012 (RM '000)	Valuation in 2011 (RM '000)	
1. 24-Storey Office Building known as Plaza VADS Taman Tun Dr. Ismail Kuala Lumpur	Freehold	22	194,275	21/03/1989	45,909	22,785	68,694	100,000	97,103	2,897	(245)	Comparison and Investment Methods (01.11.2012)
2. Four-Storey Commercial building known as Bangunan AHP, Taman Tun Dr. Ismail Kuala Lumpur	Freehold	23	96,154	21/03/1989	16,323	16,964	33,287	42,000	42,216	(216)	900	Comparison and Investment Methods (01.11.2012)
3. Three-Storey shopoffice Jalan Wan Kadir 4, Taman Tun Dr. Ismail Kuala Lumpur	Freehold	14	5,280	16/10/1995	910	-	910	2,800	2,800	-	300	Comparison and Investment Methods (01.11.2012)
4. Ground & First Floor, Blok G Asia City Kota Kinabalu, Sabah	Leasehold (99 years expiring on 31.12.2082)	15	3,100	12/12/1995	1,653	-	1,653	1,500	1,500	-	95	Comparison and Investment Methods (01.11.2012)
5. Four-storey office building known as Sri Impian, Taman Setiawangsa, Kuala Lumpur	Freehold	22	38,290	15/05/1996	13,318	188	13,506	11,000	11,000	-	500	Comparison and Investment Methods (01.11.2012)

Property Portfolio (Contd.)

List Of Real Estate As At 31 December 2012 (Contd.)

Description of Real Estate and Location	Land Tenure	Age of Building (years)	Net Lettable Area (sq. ft.)	Date of Acquisition	Cost of Acquisition (RM '000)	Additions (RM '000)	Cost of Acquisitions and Additions (RM '000)	Valuation in 2012 (RM '000)	Net Book Value (RM '000)	Revaluation Surplus / (Deficit)		Method of Valuation (Date of Valuation)
										Valuation in 2012 (RM '000)	Valuation in 2011 (RM '000)	
6. Four-storey shophouse Miri Waterfront, Commercial Centre, Jalan Permaisuri Miri, Sarawak	Leasehold (60 years expiring on 30.9.2082)	15	3,998	24/05/1996	949	4	953	950	950	-	70	Comparison and Investment Methods (01.11.2012)
7. Four-storey Shopoffice Lot 224, Jalan Negara 2, Pusat Bandar Melawati, Kuala Lumpur	Freehold	22	6,705	30/08/1996	783	31	814	1,100	1,100	-	100	Comparison and Investment Methods (01.11.2012)
8. Four-Storey Shopoffice Jalan Chainferry, Taman Inderawasih Butterworth, Penang	Freehold	14	4,854	12/11/1996	966	-	966	800	900	(100)	(50)	Comparison and Investment Methods (01.11.2012)
9. Four-Storey Shopoffice Off Jalan Rubber Kuching, Sarawak	Leasehold (874 years expiring on 31.12.2811)	13	4,432	30/08/2002	855	-	855	1,000	1,000	-	(100)	Comparison and Investment Methods (09.08.2012)
TOTAL								161,150	158,569	2,581	1,570	

Property Portfolio (Contd.)

Tenancy Details as at 31 December 2012

Property	Net Lettable Area (sq. ft.)	Parking Spaces (Bays)	Major Tenants	Occupancy Rate (%)	Maintenance Cost (RM)	Average Tenancy Period	Year of Expiry	Rental Review	Average Rental (RM/sq.ft./month)
1. Plaza VADS	194,275	402	1. VADS Berhad	77.90	595,872	8	2015	2015	3.58
			2. YSP Industries (M) Sdn. Bhd.	9.02		3	2012	2012	
			3. Vacant	13.08		2			
				----- 100.00 =====					
2. Bangunan AHP	96,154	200	1. Hwang-DBS Investment Bank Bhd.	28.51	269,879	3	2013	2013	3.42
			2. Silverlake Innovative Partners Sdn Bhd	25.69		1	2012	2013	
			3. VADS Berhad	18.71		3	2013	2013	
			4. PMI Education Sdn. Bhd.	9.24		3	2013	2013	
			5. Optimax Eye Specialist Centre Sdn. Bhd.	9.09		3	2015	2015	
			6. Others	8.76					
				----- 100.00 =====					
3. Sri Impian	38,290	-	I&P Harta Sdn. Bhd.	100.00	14,646	2	2013	2013	2.20
4. Six (6) Shop premises	28,369	-	1. Amanah Saham Nasional Berhad	29.56	11,280	3	2013	2012	1.89
			2. ARH Jurukur Bahan Sdn. Bhd.	23.63		1	2013	2012	
			3. Others	18.61		2	2013	2012	
			4. Vacant	28.19		2.7	2012/2013	2012/2013	
				----- 100.00 =====					
Total	357,088	602	Total Occupied Area	95.79	891,677				
			Total Vacant Area	4.21					

Analysis of Unitholdings

Analysis of Unitholdings

Unitholders' Capital as at 31 December 2012

Authorised : 1,000,000,000 units
 Issued and fully paid : 100,000,000 units

Distribution of Unitholders as at 31 December 2012

Unit Class	No. of Unitholders	Percentage of Unitholders	No. of Unitholdings	Percentage of Unitholdings
Less than 100	15	0.21	371	0.00
101 - 1,000	2,858	40.88	2,425,625	2.43
1,001 - 10,000	3,299	47.19	13,322,164	13.32
10,001 - 100,000	753	10.77	23,038,140	23.04
100,001 to less than 5% of issued units	64	0.92	15,141,700	15.14
5% and above of issued units	2	0.03	46,072,000	46.07
Total	6,991	100.00	100,000,000	100.00

Classification of Unitholders as at 31 December 2012

Category of Unitholders	Number of Unitholders			Numbers of Unitholdings			Percentage		
	Malaysian		Foreign	Malaysian		Foreign	Malaysian		Foreign
	Bumi	Non-Bumi		Bumi	Non-Bumi		Bumi	Non-Bumi	
Individuals	2,449	3,929	55	9,390,600	29,430,700	1,669,110	9.39	29.43	1.67
Body Corporate									
a. Banks/Finance Companies	7	-	-	46,091,000	-	-	46.09	-	-
b. Investment Trusts/Foundations	-	3	-	-	502,000	-	-	0.50	-
c. Other Types of Companies	12	31	1	396,900	2,293,500	20,000	0.40	2.30	0.02
Government Agencies/Institutions	2	-	-	24,000	-	-	0.02	-	-
Nominees	272	161	69	2,651,490	2,801,500	4,729,200	2.65	2.80	4.73
Total	2,742	4,124	125	58,553,990	35,027,700	6,418,310	58.55	35.03	6.42
	6,991			100,000,000			100.00		

Analysis of Unitholdings (Contd.)

30 Largest Unitholders as at 31 December 2012

No	Unitholders	Units Held	Percentage of Units in Issue
1.	Amanah Raya Nominees (Tempatan) Sdn. Berhad (Skim Amanah Saham Bumiputera) *	41,008,500	41.01
2.	Permodalan Nasional Berhad **	5,063,500	5.06
3.	Chong Kon Ling	1,010,000	0.80
4.	Popular Industries Sdn. Berhad	517,700	0.52
5.	Gan Tuan Boon	500,000	0.50
6.	Liew Yoon Yee	460,500	0.46
7.	Citigroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tey Rose)	411,000	0.41
8.	Toh Hock Chooi	405,700	0.41
9.	Abdul Rahim bin Bidin	402,400	0.40
10.	BOH Plantations Sdn. Berhad	385,000	0.39
11.	Public Invest Nominees (Asing) Sdn Bhd (Exempt an for Phillip Securities Pte. Ltd)	380,000	0.38
12.	Tan Teck Peng	370,000	0.37
13.	BOH Plantations Sdn. Berhad	333,800	0.33
14.	TA Nominees (Tempatan) Sdn. Berhad (Pledged Securities Account for Chor Sek Choon)	310,000	0.31
15.	Richfund Sdn. Berhad	291,000	0.29
16.	Teuh Chin Heng	290,300	0.29
17.	RAM Holdings Berhad	286,900	0.29
18.	Neoh Foundation (1979)	280,000	0.28
19.	Toh Han Ein	267,500	0.27
20.	Ng Heng Heem	265,700	0.27
21.	Cimsec Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lim Chen Yik)	265,000	0.27
22.	Yik Poh Chan @ Yek Poh Chan	263,100	0.27
23.	HSBC Nominees (Asing) Sdn Bhd (Exempt an for Pictet & CIE)	260,000	0.26
24.	Lee Chin Yik	258,000	0.26
25.	HDM Nominees (Tempatan) Sdn. Berhad (DBS Vickers Secs (S) Pte. Ltd. For Winston Jong Khi Min)	249,800	0.25
26.	Mayban Nominees (Tempatan) Sdn Bhd (A/C for Ng Hong Tee)	240,000	0.24
27.	Premjit Singh a/l Onkar Singh	240,000	0.24
28.	Liew Kon Mun	238,800	0.24
29.	HLB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Liew Sun Yick)	219,600	0.22
30.	PB Trustee Services Berhad (Lim Chin Sim)	212,000	0.21
Total		55,685,800	55.69

Note: * Substantial unitholder

** Related company to Manager

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Manager's Report On Amanah Harta Tanah PNB

For The Year Ended 31 December 2012

Pelaburan Hartanah Nasional Berhad ("PHNB"), the Manager of Amanah Harta Tanah PNB ("AHP" or "the Trust"), has 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 2012.

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.

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.

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 which is mainly for the purpose of promoting greater ownership of shares in the corporate sector in Malaysia by the Bumiputera.

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 2012 is 1% (2011: 1%) per annum of the daily net asset value of the Trust. No initial service charge, fee or commission has been earned by the Manager in managing the Trust other than the management fee of RM1,561,185 (2011: RM1,535,575) as disclosed in Note 6 to the financial statements.

TERM OF THE TRUST

The Trust will continue its operations until such time as determined by the Trustee and the Manager as provided under the provisions of Clause 23 of the Third Supplemental Deed of Trust.

INVESTMENT OBJECTIVE

The main investment objective of the Trust is to provide 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.

Manager's Report On Amanah Harta Tanah PNB

For The Year Ended 31 December 2012 (Contd.)

INVESTMENT POLICY AND STRATEGY

The investment policy of the Trust is directed towards the expansion of the Trust to be carried out through continuous search of quality real estates which give reasonable yield and capital appreciation.

The Manager will continue to exercise 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.

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, including cash and bank balances as at 31 December 2012 was RM177,063,537 (2011: RM169,684,633). Details of the investment portfolio of the Trust are as follows:

	2012		2011	
	RM	%	RM	%
At fair value:				
Real estate				
- Commercial and office buildings	161,150,000	91.01	157,800,000	93.00
Real estate related-assets				
- Quoted shares by sector				
- Property	-	-	36,400	0.02
- Real Estate Investment Trust	219,877	0.12	66,039	0.04
Non-real estate related-assets				
- Quoted shares by sector				
- Consumer products	119,400	0.07	70,000	0.04
- Finance	512,587	0.29	452,810	0.27
- Infrastructure project	80,340	0.05	91,670	0.05
- Plantation	153,000	0.09	161,400	0.10
- Trading	913,200	0.52	935,377	0.55
At amortised cost:				
Deposits with financial institutions, cash and bank balances	13,915,133	7.86	10,070,937	5.94
	<u>177,063,537</u>	<u>100.00</u>	<u>169,684,633</u>	<u>100.00</u>

Details of the investment in real estate are as disclosed in Note 12 to the financial statements.

Manager's Report On Amanah Harta Tanah PNB

For The Year Ended 31 December 2012 (Contd.)

PERFORMANCE OF THE TRUST

	2012	2011
Total net asset value (RM)	<u>159,392,782</u>	<u>156,468,623</u>
Units in circulation (units)	<u>100,000,000</u>	<u>100,000,000</u>
Net asset value per unit attributable to unit holders (sen)	<u>159.39</u>	<u>156.47</u>
Market price per unit (sen)	<u>110.00</u>	<u>105.00</u>
Highest traded price (sen)	<u>111.00</u>	<u>111.00</u>
Lowest traded price (sen)	<u>103.00</u>	<u>95.00</u>

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

RESULTS OF THE OPERATIONS OF THE TRUST

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

	RM
Net income before taxation	10,324,159
Taxation	-
Net income after taxation	<u>10,324,159</u>

During the financial year, the Trust has recorded net income before taxation of RM10,324,159 as compared with RM10,101,725 recorded last financial year. Higher net income before taxation during the year was due to gain on disposal of real estate of RM300,000, as well as increase in revaluation of real estate of RM2,580,327.

In terms of net rental income, the Trust has recorded a decrease of RM427,176 or 4.90% from RM9,637,857 recorded in previous year, due to the termination of rental by a few tenants. The Trust's total expenditure showed an increase of RM260,141 or 12.29% from RM2,117,389 recorded last financial year.

REVIEW OF THE PROPERTY MARKET

In the first three quarters of 2012, the domestic economy grew by an estimate average of 5.3% from 5.1% in 2011. The domestic economy could have grown by over 5.0% in 2012. This was despite the eurozone being in a recession and the still sluggish performance of the U.S. economy. Global growth had also been weighed down by the slowdown in China and Japan, the second and third largest economies in the world respectively given the softening in global external demand. However, the low food and oil prices in 2012 had supported growth during the year. According to the International Monetary Fund (IMF) in January 2013, the global economy is to expand by 3.2% in 2012 from 3.9% in 2011.

Manager's Report On Amanah Harta Tanah PNB

For The Year Ended 31 December 2012 (Contd.)

REVIEW OF THE PROPERTY MARKET (CONTD.)

Growth of the Malaysian economy had been hampered by the lackluster demand for local goods given the weakness in the global economy which had dampened global external demand. However, domestic demand and consumption had remained robust given the favourable performance of private consumption and investment activities by both the private and public sectors. The Economic Transformation Programme (ETP), which had provided a boost to private investment, continued to be the key driver of growth in 2013. The benchmark interest rate, the Overnight Policy Rate (OPR), was maintained at the 3.00% level throughout the year as Bank Negara Malaysia (BNM) maintained its accommodative monetary policy stance amidst low inflation and moderate growth performance. BNM continued to manage the ample liquidity in the Malaysian economy effectively.

The overall performance of the domestic property market for the first three quarters 2012 was in tandem with further investment activities under the Economic Transformation Program (ETP) particularly the infrastructure projects, oil, gas and energy as well as Greater Kuala Lumpur. From January to September 2012, demand for the purpose-built office (PBO) sub sector had increased by 379,590 square meters (sq.m.) or 2.6% to 14.78 million sq.m. from 14.4 million sq. m. as at 1st January 2012. Kuala Lumpur had absorbed 10% of the total news spaces. As at the end of third quarter 2012, the national occupancy rate stood at 82.9% or equivalent to 14.8 million sq.m. Kuala Lumpur had recorded 78.5% of occupancy rate and dominated 38% of the total occupied space nationwide. On the supply side, the PBO space increased by 2.2 % or 384,372 sq. m. for the first three quarters of 2012 to 17.82 million sq. m. from 17.44 million sq. m. as at January 2012. As at the end of third quarter 2012, the total supply of PBO in Malaysia stood at 17.8 million sq. m. Of this total, 40% were in Kuala Lumpur.

PROSPECTS

The global economy is expected to chart positive growth in 2013 although downside risks remain significant on prospects of a fiscal consolidation in advanced economies. The prevailing eurozone crisis and the possibility of a U.S fiscal cliff - a combination of 607 billion dollars of spending cuts and tax increases – being realised and the need to raise the U.S. legal debt limit early 2013 are impacting global confidence and slowing growth. Likewise, the high and rising unemployment rate in some advanced economies continue to dampen consumption and spending. The IMF is forecasting the global economy to expand modestly by 3.5% in 2013 from 3.6% projected previously.

The growth of the Malaysian economy is expected to be sustained in 2013 amidst the weakness in global growth. The ETP projects, in their third year of implementation, would help sustain the growth momentum of the domestic economy by further spurring domestic investment and boosting private sector activities. Meanwhile, the people friendly Budget 2013 would continue to promote the well-being of Malaysians, which in turn, would augur well for consumption growth. In tandem, BNMs monetary policy is expected to remain supportive of growth and this would enable economic expansion to be sustained by domestic demand amidst the fragile global recovery. The government is projecting the growth of the domestic economy at a slightly faster pace of 4.5-5.5% in 2013 from 4.5-5.0% estimated for 2012.

Manager's Report On Amanah Harta Tanah PNB

For The Year Ended 31 December 2012 (Contd.)

PROSPECTS (CONTD.)

Against this backdrop, the performance of the domestic property market is expected to remain positive through this year in tandem with the growth prospect of the economy and following higher spillover effects of the various ETP, 10th Malaysian Plan and high-impact projects in Greater Kuala Lumpur, Iskandar Malaysia and other areas in the country. According to the Valuation and Property Service Department statistics, PBO sub-sector in Malaysia is expected to receive another 2.04 million sq. m. of new supply between 2013 and 2015, of which an estimated 1.04 million sq. m. or 51% will be in Kuala Lumpur.

RESERVES AND PROVISIONS

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

DISTRIBUTION OF INCOME

The distributions paid and proposed by the Trust since 31 December 2011:

In respect of the financial year ended 31 December 2011:

	Per Unit		Total	
	Gross Sen	Net of tax Sen	Gross RM	Net of tax RM
Final income distribution of 3.70 sen per unit paid on 29 February 2012	3.70	3.70	3,700,000	3,700,000

In respect of financial year ended 31 December 2012:

	Per Unit		Total	
	Gross Sen	Net of tax Sen	Gross RM	Net of tax RM
Interim income distribution of 3.70 sen per unit paid on 30 August 2012	3.70	3.70	3,700,000	3,700,000

For the financial year ended 31 December 2012, final income distribution of 3.70 sen a unit (tax exempt at the Trust level), amounting to RM3,700,000 to be paid on 28 February 2013, was declared by the Manager and approved by the Trustee on 29 January 2013. The financial statements of 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 2013. In general, the Trust has shown a competitive level of income return and was able to meet its objective of providing reasonable level of income return to the investors.

Manager's Report On Amanah Harta Tanah PNB

For The Year Ended 31 December 2012 (Contd.)

DISTRIBUTION OF INCOME (CONTD.)

The effect of the final income distributions in terms of the net asset value per unit attributable to unit holders as at 31 December 2012:

	Before distribution sen	After distribution sen
Net asset value per unit attributable to unit holders	159.39	155.69

BREAKDOWN OF UNITHOLDINGS

Unit Class	Number of Unitholders	Percentage of Unit holders (%)	Number of Unitholdings	Percentage of Unitholdings (%)
5,000 and below	5,534	79.16	10,310,960	10.31
5,001 to 10,000	638	9.13	5,437,200	5.44
10,001 to 50,000	654	9.35	15,543,950	15.54
50,001 to 500,000	161	2.30	21,108,190	21.11
500,001 and above	4	0.06	47,599,700	47.60
	6,991	100.00	100,000,000	100.00

DIRECTORS OF THE MANAGER

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

Tun Ahmad Sarji bin Abdul Hamid
Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman
Tan Sri Dato' Seri Ainum binti Mohd Saaid
Dato' Seri Mohd. Hussaini bin Haji Abdul Jamil
Dato' Abd. Wahab bin Maskan
Dato' Idris bin Kechot

Manager's Report On Amanah Harta Tanah PNB

For The Year Ended 31 December 2012 (Contd.)

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.

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

According to the register of the Manager directors' shareholdings, the directors of the Manager who were in office as at 31 December 2012 and have interests in the Trust during the financial year are as follows:

	Number of Units			31 December 2012
	1 January 2012	Bought	Sold	
Dato' Seri Mohd. Hussaini bin Haji Abdul Jamil	12,000	-	-	12,000

None of the other 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.

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:
- 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 allowance had been made for doubtful debts; and
 - 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.

Manager's Report On Amanah Harta Tanah PNB

For The Year Ended 31 December 2012 (Contd.)

OTHER STATUTORY INFORMATION (CONTD.)

- (b) At the date of this report, the Manager is not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts 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.
- (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 in a variety of CSR programmes which include education, social and welfare programmes for members of the public.

Manager's Report On Amanah Harta Tanah PNB

For The Year Ended 31 December 2012 (Contd.)

AUDITORS

The auditors, Messrs. Hanafiah Raslan & Mohamad, have indicated their willingness to continue in office.

Signed on behalf of PELABURAN HARTANAH NASIONAL BERHAD in accordance with a resolution of the directors of the Manager dated 29 January 2013.

TUN AHMAD SARJI BIN ABDUL HAMID

**TAN SRI DATO' SRI HAMAD KAMA PIAH
BIN CHE OTHMAN**

Kuala Lumpur, Malaysia

Statement By Manager

We, TUN AHMAD SARJI BIN ABDUL HAMID and TAN SRI DATO' SRI HAMAD KAMA PIAH BIN CHE OTHMAN, 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 39 to 80 are drawn up in accordance with Malaysian 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 AMANAH HARTA TANAH PNB as at 31 December 2012 and of its results and the cash flows for the year then ended.

Signed on behalf of PELABURAN HARTANAH NASIONAL BERHAD in accordance with a resolution of the directors of the Manager dated 29 January 2013.

TUN AHMAD SARJI BIN ABDUL HAMID

**TAN SRI DATO' SRI HAMAD KAMA PIAH
BIN CHE OTHMAN**

Kuala Lumpur, Malaysia

Statutory Declaration

I, DATO' MOHD NIZAM BIN ZAINORDIN, being the officer of the Manager primarily responsible for the financial management of AMANAH HARTA TANAH PNB, do solemnly and sincerely declare that the accompanying financial statements set out on pages 39 to 80 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 DATO' MOHD NIZAM BIN ZAINORDIN
at Kuala Lumpur in the Federal Territory
on 29 January 2013

DATO' MOHD NIZAM BIN ZAINORDIN

Before me,

Commissioner for Oaths,
Kuala Lumpur, Malaysia

Trustee's Report

For The Year Ended 31 December 2012

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 2012. 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.

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

HABSAH BINTI BAKAR
Chief Executive Officer

Kuala Lumpur, Malaysia
29 January 2013

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

Report on the financial statements

We have audited the financial statements of AMANAH HARTA TANAH PNB ("the Trust"), which comprise the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 39 to 80.

Manager's and Trustee's responsibility for the financial statements

The Manager of the Trust is responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and the Securities Commission's Guidelines on Real Estate Investment Trusts, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Trust's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Trust as at 31 December 2012, and of its financial performance, changes in equity and cash flows for the year then ended.

Independent Auditors' Report to the unit holders of AMANAH HARTA TANAH PNB (CONTD.)

Other matters

1. As stated in Note 3 (b) to the financial statements, the Trust adopted Malaysian Financial Reporting Standards on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2012 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the year then ended.
2. This report is made solely to the unit holders of the Trust, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Hanafiah Raslan & Mohamad
AF: 0002
Chartered Accountants

Ahmad Zahirudin bin Abdul Rahim
No. 2607/12/14(J)
Chartered Accountant

Kuala Lumpur, Malaysia
29 January 2013

Statement Of Comprehensive Income

For The Year Ended 31 December 2012

	Note	2012 RM	2011 RM
INCOME			
Gross rental income	4	14,403,463	14,965,939
Less: Real estate operating expenditure	5	(5,234,927)	(5,326,330)
Depreciation		(2,853)	(1,751)
Net rental income		9,165,683	9,637,858
Interest income from deposits with financial institutions		360,057	309,915
Gross dividends from investments in:			
- Real estate-related assets		5,282	5,666
- Non-real estate-related assets		75,054	214,788
Unrealised gain on valuation of real estates	12	2,580,327	2,159,873
Gain on disposals of real estate		300,000	-
Net gain/(loss) from financial assets at fair value through profit and loss ("FVTPL"):			
- Real estate-related assets	13	(1,157)	8,338
- Non-real estate-related assets	14	216,091	(117,324)
Miscellaneous income		352	-
		<u>12,701,689</u>	<u>12,219,114</u>
EXPENSES			
Management fee	6	(1,561,185)	(1,535,575)
Trustee's fee	7	(130,000)	(130,000)
Auditors' remuneration		(13,500)	(13,500)
Tax agent's fee		(3,800)	(4,100)
Valuation fee		(26,150)	(32,950)
Printing, postage and general expenses		(85,176)	(85,857)
Financing costs	8	(497,311)	(216,380)
Allowance for impairment of trade receivables	18	(60,408)	(99,027)
		<u>(2,377,530)</u>	<u>(2,117,389)</u>
NET INCOME BEFORE TAXATION		10,324,159	10,101,725
TAXATION	9	-	-
NET INCOME AFTER TAXATION		10,324,159	10,101,725
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		<u>10,324,159</u>	<u>10,101,725</u>

Statement Of Comprehensive Income

For The Year Ended 31 December 2012 (Contd.)

	Note	2012 RM	2011 RM
NET INCOME AFTER TAXATION IS MADE UP OF THE FOLLOWING:			
Realised		7,559,348	7,938,387
Unrealised		2,764,811	2,163,338
		<u>10,324,159</u>	<u>10,101,725</u>
EARNINGS PER UNIT	10	<u>10.32 sen</u>	<u>10.10 sen</u>
EARNINGS PER UNIT (BEFORE MANAGEMENT FEE)			
- Gross of tax		<u>11.89 sen</u>	<u>11.64 sen</u>
- Net of tax		<u>11.89 sen</u>	<u>11.64 sen</u>
NET INCOME DISTRIBUTION			
Interim income distribution of 3.70 sen per unit (2011: 3.70 sen per unit) paid on 28 August 2012 (2011: 3.70 sen per unit paid on 25 August 2011)	11	<u>3,700,000</u>	<u>3,700,000</u>
Final income distribution of 3.70 sen per unit (2011: 3.70 sen per unit) payable on 28 February 2012 (2011: 3.70 sen per unit paid on 29 February 2012)		<u>3,700,000 *</u>	<u>3,700,000</u>
FINAL INCOME DISTRIBUTION PER UNIT			
- Gross of tax	11	<u>3.70 sen *</u>	<u>3.70 sen</u>
- Net of tax		<u>3.70 sen *</u>	<u>3.70 sen</u>
INTERIM INCOME DISTRIBUTION PER UNIT			
- Gross of tax	11	<u>3.70 sen</u>	<u>3.70 sen</u>
- Net of tax		<u>3.70 sen</u>	<u>3.70 sen</u>

* Proposed final income distribution for the year ended 31 December 2012.

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

Statement Of Financial Position

As At 31 December 2012

	Note	31.12.2012 RM	31.12.2011 RM	1.01.2011 RM
INVESTMENTS				
Real estate	12	161,150,000	157,800,000	145,745,000
Real estate-related assets	13	219,877	102,439	93,627
Non-real estate-related assets	14	1,778,527	1,711,257	1,867,047
Deposits with financial institutions	15	13,812,534	10,025,578	8,969,450
TOTAL INVESTMENTS		<u>176,960,938</u>	<u>169,639,274</u>	<u>156,675,124</u>
OTHER ASSETS				
Equipment, furniture and fittings	16	10,513	12,486	1,375
Tax recoverable	17	665,747	656,625	648,076
Trade receivables	18	486,371	519,750	1,179,168
Other receivables	19	339,862	277,177	636,693
Cash and bank balances	20	102,599	45,359	183,135
TOTAL OTHER ASSETS		<u>1,605,092</u>	<u>1,511,397</u>	<u>2,648,447</u>
TOTAL ASSETS		<u>178,566,030</u>	<u>171,150,671</u>	<u>159,323,571</u>
LIABILITIES				
Financing	21	14,389,641	9,649,096	933,689
Rental deposits	22	3,874,405	4,202,646	4,071,624
Other payables	23	774,132	696,434	520,594
Amount due to Manager	24	135,070	133,872	130,766
TOTAL LIABILITIES		<u>19,173,248</u>	<u>14,682,048</u>	<u>5,656,673</u>
EQUITY				
Unit holders' capital		100,000,000	100,000,000	100,000,000
Retained earnings		59,392,782	56,468,623	53,666,898
TOTAL EQUITY	25	<u>159,392,782</u>	<u>156,468,623</u>	<u>153,666,898</u>
TOTAL EQUITY AND LIABILITIES		<u>178,566,030</u>	<u>171,150,671</u>	<u>159,323,571</u>
NUMBER OF UNITS IN CIRCULATION		<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>
NET ASSET VALUE ("NAV")		<u>159,392,782</u>	<u>156,468,623</u>	<u>153,666,898</u>
NAV (EX-DISTRIBUTION) PER UNIT		<u>1.5939</u>	<u>1.5647</u>	<u>1.5367</u>

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

Statement Of Changes In Equity

For The Year Ended 31 December 2012

	Note	Unit holders' Capital RM	<----- Retained Earnings ----->		Total Equity RM
			Distributable Realised Income RM	Non- Distributable Unrealised Gain RM	
At 1 January 2011		100,000,000	17,904,274	35,762,624	153,666,898
Transfer to realised income		-	147,874	(147,874)	-
Total comprehensive income for the year		-	7,938,387	2,163,338	10,101,725
Income distribution:	11				
Final distribution					
- 31 December 2010		-	(3,600,000)	-	(3,600,000)
Interim distribution					
- 31 December 2011		-	(3,700,000)	-	(3,700,000)
At 31 December 2011		<u>100,000,000</u>	<u>18,690,535</u>	<u>37,778,088</u>	<u>156,468,623</u>
At 1 January 2012		100,000,000	18,690,535	37,778,088	156,468,623
Transfer to realised income		-	643,701	(643,701)	-
Total comprehensive income for the year		-	7,559,348	2,764,811	10,324,159
Income distribution:	11				
Final distribution					
- 31 December 2011		-	(3,700,000)	-	(3,700,000)
Interim distribution					
- 31 December 2012		-	(3,700,000)	-	(3,700,000)
At 31 December 2012		<u>100,000,000</u>	<u>19,493,584</u>	<u>39,899,198</u>	<u>159,392,782</u>

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

Statement Of Cash Flows

For The Year Ended 31 December 2012

	31.12.2012 RM	31.12.2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before taxation	10,324,159	10,101,725
Adjustments for:		
Depreciation	2,853	1,751
Allowance for impairment of trade receivables	60,408	99,027
Unrealised gain on valuation of real estate	(2,580,327)	(2,159,873)
Net gain from financial assets at fair value through profit and loss ("FVTPL"):		
- Real estate-related assets	1,157	(8,338)
- Non-real estate-related assets	(216,091)	117,324
Gain on disposals of real estates	(300,000)	-
Interest income from deposit with financial institutions	(360,057)	(309,915)
Gross dividends from investments in:		
- Real estate-related assets	(5,282)	(5,666)
- Non-real estate-related assets	(75,054)	(214,788)
Financing costs	497,311	216,380
Operating profit before working capital changes	<u>7,349,077</u>	<u>7,837,627</u>
Increase in tax recoverable	(9,122)	(8,549)
(Increase)/decrease in receivables	(37,285)	862,744
Increase in other payables	77,698	175,840
(Decrease)/increase in rental deposits	(328,241)	131,022
Increase in amount due to the Manager	1,198	3,106
Net cash generated from operating activities	<u>7,053,325</u>	<u>9,001,790</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in real estate	(4,319,673)	(10,445,127)
Proceeds from disposal of:		
- Real estate	3,785,352	495,000
- Real estate-related assets	35,821	-
- Non-real estate-related assets	308,942	58,248
Purchase of fixed assets	(880)	(12,862)
Purchase of non-real estate related-assets		
- Real estate-related assets	(128,565)	(474)
- Non-real estate-related assets	(185,971)	(19,784)
Interest received	359,405	314,356
Dividends received from investments in:		
- Real estate-related assets	5,282	5,666
- Non-real estate-related assets	74,572	215,022
Net cash used in investing activities	<u>(65,715)</u>	<u>(9,389,955)</u>

Statement Of Cash Flows

For The Year Ended 31 December 2012 (Contd.)

	31.12.2012 RM	31.12.2011 RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown from revolving credit facility	4,740,545	8,715,407
Financing costs paid	(483,959)	(108,890)
Payment of income distributions	(7,400,000)	(7,300,000)
Net cash (used in)/generated from financing activities	<u>(3,143,414)</u>	<u>1,306,517</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,844,196	918,352
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	10,070,937	9,152,585
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>13,915,133</u>	<u>10,070,937</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	102,599	45,359
Deposits with financial institutions (Note 15)	13,812,534	10,025,578
	<u>13,915,133</u>	<u>10,070,937</u>

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

Notes To The Financial Statements

For The Year Ended 31 December 2012

1. THE TRUST, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Amanah Harta Tanah PNB ("AHP" or "the Trust"), a Real Estate Investment Trust, was constituted under a Deed of Trust dated 20 March 1989, between the Manager, Pelaburan Hartanah Nasional Berhad ("PHNB"), the Trustee, Amanah Raya Berhad and the several persons who acquire units in the Trust.

The Trust was launched on 21 March 1989 and was listed on the 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.

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 which is mainly for the purpose of promoting greater ownership of share capital in the corporate sector in Malaysia by the Bumiputera.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the directors on 29 January 2013.

2. TERM OF THE TRUST

The Trust will continue its operations until such time as determined by the Trustee and the Manager as provided under the provisions of Clause 23 of the Third Supplemental Deed of Trust of AHP.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by Malaysian Accounting Standards Board ("MASB") and applicable Securities Commission's Guidelines on Real Estate Investment Trusts.

The financial statements comply with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board.

The financial statements of the Trust have been prepared under the historical cost convention except for investment in real estate and quoted securities which are stated at fair value.

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(b) First-time adoption of MFRS

The financial statements for the year ended 31 December 2012 are the first the Trust has prepared in accordance with MFRS. For periods up to and including the year ended 31 December 2011, the Trust prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

Accordingly, the Trust has prepared financial statements which comply with MFRS applicable for periods ending on or after 31 December 2012, together with the comparative period as at and for the year ended 31 December 2011, as described in the accounting policies. In preparing these financial statements, the Trust's opening statement of financial position was prepared as at 1 January 2011, the Trust's date of transition to MFRS. The transition from FRS to MFRS has not had a material impact on the financial statements of the Trust.

(c) Financial Assets

Financial assets are recognised in the statement of financial position when, and only when, the Trust become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Trust determines the classification of its financial assets at initial recognition, and its financial assets include receivables, deposits with financial institutions, real estate related-assets held at FVTPL, non-real estate related-assets held at FVTPL and, cash and bank balances.

(i) Financial assets at FVTPL

Investments in equity instruments are classified as at FVTPL, unless the Trust designates an investment that is not held for trading as at fair value through other comprehensive income (FVTOCI) on initial recognition.

Debt instruments are reclassified from amortised cost FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as at FVTPL on initial recognition is not allowed.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as receivables. The Trust includes short term receivables in this classification.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(d) Impairment of Financial Assets

The Trust assess at each reporting date whether there is any objective evidence that a financial asset is impaired. For trade and other receivables, to determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Trust considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Objective evidence of impairment for a portfolio of receivables could include the past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables. If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(e) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Trust become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as other financial liabilities.

The Trust's financial liabilities which include trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(f) Equipment, Furniture and Fittings, Computer Equipment and Depreciation

Equipment, furniture and fittings are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(n). Depreciation of equipment, furniture and fittings 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	20%
Furniture and fittings	20%
Computer equipment	25%

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

(g) Real Estate

Real estate consist of land and buildings which are stated at fair value at each statement of assets and liabilities date, representing open-market value determined by external valuers. Gains and losses arising from changes in fair values of real estate are recognised in profit or loss for the period in which they arise. Upon the disposal of a real estate, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

(h) 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.

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(i) 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.

(j) 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.

(k) Unit holder's 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.

(l) Segment 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.

(m) Income Tax

Income tax on the profit or loss for the year comprises current tax. Current tax is the expected amount of income taxes payable in respect of the undistributed taxable profit for the year and is measured using the tax rates that have been enacted at the statement of financial position date.

(n) 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.

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(n) Impairment of Non-financial Assets (Contd.)

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 immediately.

(o) Significant Accounting Estimates and Judgements

The preparation of the Trust's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

There are no significant areas of accounting estimation uncertainty and judgments in applying accounting policies that have significant effect on the amounts recognised in the financial statements except as disclosed in note 12 – fair value of real estate.

4. GROSS RENTAL INCOME

Gross rental income of the Trust consists of the following:

	31.12.2012 RM	31.12.2011 RM
Rental income	14,143,705	14,329,607
Other real estate income	259,758	636,332
	<u>14,403,463</u>	<u>14,965,939</u>

Included in the rental income is an amount of RM569,251 (2011: RM570,501) received from related companies as disclosed in Note 29.

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

5. REAL ESTATE OPERATING EXPENDITURE

Included in the amounts are the following:

	31.12.2012 RM	31.12.2011 RM
Maintenance, repairs and improvements expenses	892,510	979,857
Assessment	888,293	889,571
Quit rent	56,544	56,640
Property Manager's fee*	132,833	135,700

* The Property Manager, IM Global Property Consultants Sdn Bhd ("IMG") (2011: Azmi & Co Building Services Sdn. Bhd. ("ACBS")), is entitled to a property management fee in respect of the maintenance of the real estate 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.

6. 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 year ended 31 December 2012 is 1% (2011: 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.

7. 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 2012 is RM 130,000 (2011: RM130,000).

8. FINANCING COSTS

	31.12.2012 RM	31.12.2011 RM
Interest expense on borrowings	497,311	216,380

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

9. TAXATION

	31.12.2012 RM	31.12.2011 RM
Tax expense for the year	-	-

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

If less than 90% of its total income is distributed, then all the income of the REIT will be subject to tax at 25% . The amount distributed from the REIT will be grossed up to take into account the underlying tax of the REIT and the unit holder will be taxed on the gross distribution at the relevant tax rates. Such distributions carry a tax credit, which will be available for set-off against the income tax chargeable on the unit holder.

There is no tax expense for the current financial year as AHP will distribute its entire total chargeable income to tax for the current year of assessment 2012. The Malaysian tax rate is calculated at the statutory tax rate of 25% of the estimated assessable profit for the year.

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:

	31.12.2012 RM	31.12.2011 RM
Net income before taxation	10,324,159	10,101,725
Taxation at Malaysia statutory tax rate of 25%	2,581,040	2,525,431
Effect of income not subject to tax	(863,830)	(590,201)
Effect of expenses not deductible for tax purposes	65,806	79,288
Effect of income distribution exempted from tax at Trust level	(1,743,765)	(1,961,586)
Utilisation of current year capital allowances	(39,251)	(52,932)
Tax expense for the year	-	-

10. EARNINGS PER UNIT

The earnings per unit for the year has been calculated by dividing the net income after taxation for the year of RM10,324,159 (2011: RM10,101,725) by the number of units in circulation as at the statement of financial position date of 100,000,000 (2011: 100,000,000).

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

11. INCOME DISTRIBUTION

	31.12.2012		31.12.2011	
	Gross RM	Net RM	Gross RM	Net RM
Interim income distribution of 3.70 sen per unit paid on 30 August 2012 (2011: 3.70 sen per unit paid on 25 August 2011)	3,700,000	3,700,000	3,700,000	3,700,000
Final income distribution of 3.70 sen per unit payable on 28 February 2013 (2011: 3.70 sen per unit paid on 29 February 2012)	3,700,000 *	3,700,000 *	3,700,000	3,700,000
Total distribution for the year	<u>7,400,000</u>	<u>7,400,000</u>	<u>7,400,000</u>	<u>7,400,000</u>
Distribution per unit (sen)	<u>7.40</u>	<u>7.40</u>	<u>7.40</u>	<u>7.40</u>

* For the financial year ended 31 December 2012, final income distribution of 3.70 sen per unit (tax exempt at Trust level), amounting to RM3,700,000 to be paid on 28 February 2013, was declared by the Manager and approved by the Trustee on 29 January 2013. 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 2013.

Source of Distribution

Distribution to unitholders is from the following sources:

	31.12.2012 RM	31.12.2011 RM
Net rental income	9,165,683	9,517,389
Gross dividends from investments in:		
- Real estate-related assets	5,282	-
- Non-real estate-related assets	75,054	-
Interest income from deposits with financial institutions		360,057
Gain on disposals of real estate	171,454	-
	<u>9,777,530</u>	<u>9,517,389</u>
Less: Expenses	<u>(2,377,530)</u>	<u>(2,117,389)</u>
Total distribution	<u>7,400,000</u>	<u>7,400,000</u>
Gross income distribution per unit (sen)	7.40	7.40
Net income distribution per unit (sen)	<u>7.40</u>	<u>7.40</u>

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

12. REAL ESTATE

	31.12.2012 RM	31.12.2011 RM	1.01.2011 RM
At 1 January	157,800,000	145,745,000	143,290,000
Upgrading and renovation costs	4,319,673	10,445,127	1,983,891
Disposals	(3,550,000)	(550,000)	(1,460,000)
Fair value adjustment	2,580,327	2,159,873	1,931,109
At 31 December	<u>161,150,000</u>	<u>157,800,000</u>	<u>145,745,000</u>

The following real estates are held under lease terms:

	31.12.2012 RM	31.12.2011 RM	1.01.2011 RM
Leasehold land and buildings (at fair value)	<u>3,450,000</u>	<u>3,450,000</u>	<u>3,935,000</u>

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

Description of Real Estate	Tenure	Date of Acquisition	Cost of Acquisition and Additions RM	Fair Value* RM
Plaza VADS, Taman Tun Dr. Ismail, Kuala Lumpur	Freehold	21/03/1989	68,693,603	100,000,000
Bangunan AHP, Taman Tun Dr. Ismail, Kuala Lumpur	Freehold	21/03/1989	33,287,292	42,000,000
Sri Impian, Taman Setiawangsa, Kuala Lumpur	Freehold	15/05/1996	13,505,811	11,000,000
Strata shop office in Butterworth	Freehold	12/11/1996	965,776	800,000
Strata shop office, Asia City, Kota Kinabalu	Leasehold	12/12/1995	1,652,917	1,500,000
Three storey shop house in Taman Tun Dr. Ismail, Kuala Lumpur	Freehold	16/10/1995	909,879	2,800,000

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

12. REAL ESTATE (CONTD.)

Details of investment in real estates and basis of valuation are as follows: (Contd.)

Description of Real Estate	Tenure	Date of Acquisition	Cost of Acquisition and Additions RM	Fair Value* RM
Four storey shop office, Pusat Bandar Melawati Kuala Lumpur	Freehold	30/08/1996	814,016	1,100,000
Four storey shop house, Miri	Leasehold	24/05/1996	952,930	950,000
Four storey, shop office, Jalan Rubber, Kuching	Leasehold	30/8/2002	854,556	1,000,000
			<u>121,636,780</u>	<u>161,150,000</u>

- * Fair values as at 31 December 2012 based on valuation dated 1 November 2012 (except for four storey shop in Jalan Rubber, Kuching on 9 August 2012) by independent firms of professional valuers by using the investment methods of valuation in accordance with the Malaysian Valuation Standards.

The investment method considers income and expense data relating to the subject property being valued and estimates value through a capitalisation process. Capitalisation relates income (usually net income figure) and a defined value type by converting an income amount into value estimate. This process may consider direct relationship (known as capitalisation rates), yield or discount rates (reflecting measures of return on investment), or both. In general, the principle of substitution holds that the income stream which produces highest return commensurate with a given level of risk leads to the most probable value figure.

In arriving at the fair value using the investment method, capitalisation rates ranging from 6.5% to 7.00% and discount rate of 7.00% were applied.

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

12. REAL ESTATE (CONTD.)

The details of the valuers are as follows:

Real Estate	Name of Firm	Name of Valuer and Qualification
Plaza VADS, Taman Tun Dr. Ismail, Kuala Lumpur. Bangunan AHP, Taman Tun Dr. Ismail, Kuala Lumpur. Three storey shop house, Taman Tun Dr. Ismail, Kuala Lumpur. Strata shop office, Asia City, Kota Kinabalu, Sabah. Four storey shop office, Pusat Bandar Melawati, Kuala Lumpur. Four storey shop house, Jalan Permaisuri, Miri, Sarawak. Sri Impian, Taman Setiawangsa, Kuala Lumpur.	Jurunilai Bersekutu Sdn. Bhd.	Sr. Robiah Wan Yusoff Diploma in Estate Management Mara Institute of Technology M.I.S.M., M.M.I.E.A., M.R.I.C.S. Registered Valuer - V476
Four storey shop office, Jalan Rubber, Kuching, Sarawak. Strata shop office, Jalan Chainferry, Butterworth, Penang.	Azmi & Co Sdn. Bhd.	Mohd Noor Azeni Nordin Advanced Diploma Estate Management, Universiti Teknologi Mara M.I.S.M, P.E.PS Registered Valuer - V0764

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

13. REAL ESTATE-RELATED ASSETS

	31.12.2012 RM	31.12.2011 RM	1.01.2011 RM
Quoted shares, at FVTPL	219,877	102,439	93,627
Net (loss)/gain on real estate-related assets at FVTPL during the year comprised:			
Realised gain on disposals	3,506	-	-
Unrealised changes in fair values	(4,663)	8,388	13,062
	<u>(1,157)</u>	<u>8,388</u>	<u>13,062</u>

Quoted Shares Asset Value	Units RM	Fair Cost RM	Percentage of Fair Value Over Net Value %	
- Real Estate Investment Trusts	85,392	160,902	219,877	0.14

14. NON-REAL ESTATE-RELATED ASSETS

	31.12.2012 RM	31.12.2011 RM	1.01.2011 RM
Quoted shares, at FVTPL	1,778,527	1,711,257	1,867,047
Net (loss)/ gain on real estate-related assets at FVTPL during the year comprised:			
Realised gain/(loss) on disposals	26,944	(112,451)	51,385
Unrealised changes in fair values	189,147	(4,873)	171,559
	<u>216,091</u>	<u>(117,324)</u>	<u>222,944</u>

Quoted Shares	Units	Cost RM	Fair Value RM	Percentage of Fair Value Over Net Asset Value %
- Consumer products	10,000	63,325	119,400	0.08
- Finance	55,716	382,804	512,587	0.33
- Infrastructure project	51,500	111,698	80,340	0.05
- Plantation	30,000	163,981	153,000	0.10
- Trading	94,300	763,448	913,200	0.58
	<u>241,516</u>	<u>1,485,256</u>	<u>1,778,527</u>	<u>1.14</u>

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

15. DEPOSITS WITH FINANCIAL INSTITUTIONS

	31.12.2012 RM	31.12.2011 RM	1.01.2011 RM
Fixed deposits	3,085,578	6,134,693	2,671,225
Short term deposits	10,726,956	2,206,771	4,267,626
Al Mudharabah deposits	-	1,684,114	2,030,599
	<u>13,812,534</u>	<u>10,025,578</u>	<u>8,969,450</u>

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

	31.12.2012		31.12.2011		1.01.2011	
	WAEIPR (% p.a.)	Average Maturity (Days)	WAEIPR (% p.a.)	Average Maturity (Days)	WAEIPR (% p.a.)	Average Maturity (Days)
Licensed banks	3.14	48	3.32	48	2.97	16

Included in the deposits are the amount of RM806,057 (31.12.2011: RM366,161; 1.01.2011: RM2,094,652) placed with Malayan Banking Berhad ("MBB"), a licensed bank related to the Manager.

16. EQUIPMENT, FURNITURE AND FITTINGS

	Equipment RM	Furniture and Fittings RM	Computer Equipment RM	Total RM
Cost				
At 1 January 2011	47,248	53,755	18,679	119,682
Additions	6,250	990	5,622	12,862
At 31 December 2011	<u>53,498</u>	<u>54,745</u>	<u>24,301</u>	<u>132,544</u>
Additions	880	-	-	880
At 31 December 2012	<u>54,378</u>	<u>54,745</u>	<u>24,301</u>	<u>133,424</u>
Accumulated Depreciation				
At 1 January 2011	45,900	53,735	18,672	118,307
Charge for the year	1,117	56	578	1,751
At 31 December 2011	<u>47,017</u>	<u>53,791</u>	<u>19,250</u>	<u>120,058</u>
Charge for the year	781	198	1,874	2,853
At 31 December 2012	<u>47,798</u>	<u>53,989</u>	<u>21,124</u>	<u>122,911</u>

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

16. EQUIPMENT, FURNITURE AND FITTINGS (CONTD.)

	Equipment RM	Furniture and Fittings RM	Computer Equipment RM	Total RM
Net Book Value				
At 31 December 2012	6,580	756	3,177	10,513
At 31 December 2011	6,481	954	5,051	12,486
At 1 January 2011	1,348	20	7	1,375
Depreciation charge for 2012	781	198	1,874	2,853
Depreciation charge for 2011	1,117	56	578	1,751

Included in equipment, furniture and fittings of the Trust are RM117,791 (31.12.2011: RM110,941; 1.01.2011: RM113,291) of cost of fully depreciated assets which are still in use.

17. TAX RECOVERABLE

The tax recoverable amount represents tax deducted at source on dividend income arising in Malaysia and is recoverable from the Malaysian Inland Revenue Board.

The Income Tax Act 1967 was amended on 28 December 2007 to introduce the single tier corporate tax system with effect from the year of assessment 2008. Under the single tier corporate tax system, dividend distribution to shareholders will be exempted from tax.

However, there will be a transitional period of six years (year of assessment 2008 to 31 December 2013) to allow companies which meet certain conditions, to continue to pay dividends under a limited (transitional) imputation system. Dividends paid under the limited (transitional) imputation system will be subject to tax in the hands of the shareholders. Shareholders can claim the tax deducted at source on the dividend payment as tax credit.

Companies that do not meet the conditions required to pay dividends under the limited (transitional) imputation system will pay dividends under the single tier tax system. With effect from 1 January 2014, all companies will pay dividends under the single tier tax system.

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

17. TAX RECOVERABLE (CONTD.)

The potential impact on the Trust will be as follows:

During the transitional period, if the Trust receives dividend income from investee companies which pay dividends under the limited (transitional) imputation system, the Trust can continue to claim the tax deducted at source as a refund from the Malaysian Inland Revenue Board provided that the Trust meets certain conditions. However, since single tier dividends are tax exempt and thus, no tax will be deducted at source on dividend, there will be no tax credit that can be claimed from such dividends received by the Trust.

18. TRADE RECEIVABLES

	31.12.2012 RM	31.12.2011 RM	1.01.2011 RM
Trade receivables	645,806	618,777	1,179,168
Less: Allowance for impairment	(159,435)	(99,027)	-
Trade receivables, net	<u>486,371</u>	<u>519,750</u>	<u>1,179,168</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. The Trust has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

Ageing analysis of trade receivables

The ageing analysis of the Trust's trade receivables is as follows:

	31.12.2012 RM	31.12.2011 RM	1.01.2011 RM
Neither past due nor impaired	162,182	224,462	862,467
31 to 60 days past due not impaired	46,513	85,092	20,354
61 to 90 days past due not impaired	15,608	31,448	1,850
91 to 120 days past due not impaired	2,148	17,787	1,850
More than 121 days past due not impaired	259,920	160,961	292,647
	<u>486,371</u>	<u>519,750</u>	<u>1,179,168</u>
Impaired	159,435	99,027	-
	<u>645,806</u>	<u>618,777</u>	<u>1,179,168</u>

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

18. TRADE RECEIVABLES (CONTD.)

The Trust's trade receivables that are impaired at the reporting date are as follows:

	31.12.2012 RM	31.12.2011 RM	1.01.2011 RM
Trade receivables	159,435	99,027	-
Less: Allowance for impairment	(159,435)	(99,027)	-
	<u>-</u>	<u>-</u>	<u>-</u>

The movement in the allowance account used to record impairment allowance for trade receivables are as follows:

	31.12.2012 RM	31.12.2011 RM	1.01.2011 RM
At 1 January	99,027	-	-
Charge for the year	60,408	99,027	-
At 31 December	<u>159,435</u>	<u>99,027</u>	<u>-</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.

Receivables that are past due but not impaired

The Trust has trade receivables amounting to RM326,936 (31.12.2011: RM354,042; 1.01.2011: RM316,701) that are past due at the reporting date of which RM60,408 (31.12.2011: RM99,027; 1.01.2011: RM nil) was impaired during the financial year. The remaining receivables that are past due but not impaired are expected to be collected in the next 12 months.

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

19. OTHER RECEIVABLES

	31.12.2012 RM	31.12.2011 RM	1.01.2011 RM
Dividends	1,448	966	1,200
Interest income	13,888	13,236	17,677
Deposits	120,206	120,206	151,046
Prepayments	204,320	142,769	411,770
Others	-	-	55,000
	<u>339,862</u>	<u>277,177</u>	<u>636,693</u>

The Trust has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

20. CASH AND BANK BALANCES

Included in the cash and bank balances is an amount of RM13,731 (31.12.2011: RM22,315; 1.01.2011: RM16,603) placed with MBB, a licensed bank related to the Manager.

21. FINANCING

On 17 July 2008, the Trust obtained an Islamic revolving credit facility of RM65 million from CIMB Islamic Bank Berhad for financing the upgrading and refurbishment of Plaza VADS, which includes the construction of 4-storey podium block.

The financing profit rate of 3.97% to 4.05% (31.12.2011: 3.66% to 4.05%; 1.01.2011: 3.35% to 3.72%) per annum. The basis of the profit rate is Costs of Funds + 0.45% per annum.

As at 31 December 2012, a total of four drawdowns have been made totaling RM14,389,641 (31.12.2011: RM9,649,096; 1.01.2011: RM933,689). The details of the drawdowns is as follows:

	Maturity Date	Amount RM
Drawdown no. 1	16 April 2013	933,689
Drawdown no. 2	9 May 2013	2,496,928
Drawdown no. 3	19 February 2013	6,218,479
Drawdown no. 4	3 June 2013	4,740,545
Total		<u>14,389,641</u>

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

22. RENTAL DEPOSITS

	31.12.2012 RM	31.12.2011 RM	1.01.2011 RM
Payable within 12 months	1,327,172	1,564,957	1,369,220
Payable after 12 months	2,547,233	2,637,689	2,702,404
	<u>3,874,405</u>	<u>4,202,646</u>	<u>4,071,624</u>

Included in the rental deposit is an amount of RM170,913 (31.12.2011: RM170,913; 1.01.2011: RM215,262) received from companies related to the Manager as disclosed in Note 29.

23. OTHER PAYABLES

	31.12.2012 RM	31.12.2011 RM	1.01.2011 RM
Accruals for real estate operating expenditure	157,212	253,207	218,545
Rental received in advance	193,280	84,238	116,314
Financing costs payable	128,264	114,912	7,422
Sundry payables	295,376	244,077	178,313
	<u>774,132</u>	<u>696,434</u>	<u>520,594</u>

24. AMOUNT DUE TO MANAGER

The amount due to Manager is unsecured, interest free and repayable on demand.

25. TOTAL EQUITY

The components of total equity of the Trust as at the statement of financial position date are as follows:

	Note	31.12.2012 RM	31.12.2011 RM	1.01.2011 RM
Units in circulation	26	100,000,000	100,000,000	100,000,000
Retained earnings		59,392,782	56,468,623	53,666,898
		<u>159,392,782</u>	<u>156,468,623</u>	<u>153,666,898</u>

Retained earnings is made up of the following:

Net realised distributable income	19,493,584	18,690,535	17,904,274
Net unrealised non-distributable income	39,899,198	37,778,088	35,762,624
	<u>59,392,782</u>	<u>56,468,623</u>	<u>53,666,898</u>

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

26. UNITS IN CIRCULATION

	31.12.2012	Number of Units 31.12.2011	1.01.2011
Authorised:			
At end of year	1,000,000,000	1,000,000,000	1,000,000,000
	31.12.2012	Number of Units 31.12.2011	1.01.2011
Issued and fully paid:			
At end of year	100,000,000	100,000,000	100,000,000
	31.12.2012 RM	Amount 31.12.2011 RM	1.01.2011 RM
Issued and fully paid:			
At end of year	100,000,000	100,000,000	100,000,000

As at 31 December 2012, the Manager did not hold any unit in the Trust. However, PNB held 5,063,500 (31.12.2011: 5,063,500; 1.01.2011:5,063,500) units, representing approximately 5.06% (31.12.2011: 5.06%; 1.01.2011: 5.06%) of the total units in issue. Based on market price as at 31 December 2012 of RM1.10 (31.12.2011: RM1.05; 1.01.2011: RM0.99) per unit, the value of units held by PNB was RM5,569,850 (31.12.2011: RM5,316,675; 1.01.2011:RM5,012,865).

27. NET ASSET VALUE PER UNIT

	31.12.2012	31.12.2011	1.01.2011
Net asset value attributable to unit holders (RM)	159,392,782	156,468,623	153,666,898
Number of units issued	100,000,000	100,000,000	100,000,000
Net assets value per unit (sen)	159.39	156.47	153.67

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

28. TRANSACTIONS WITH STOCKBROKING COMPANIES

During the financial year, the Manager made purchases and sales of investments for the Trust with several stockbroking companies. The details of the transactions are as follows:

Stock Broker	Value of Trade RM	Percentage of Total Trade %	Brokerage Fees RM	Percentage of Brokerage Fees %
BIMB Securities Sdn Bhd	141,030	22.22	317	22.18
HwangDBS Investment Bank Berhad	161,508	25.45	364	25.47
KAF-Seagroatt & Campbell Securities Sdn Bhd	206,490	32.53	465	32.55
Maybank Investment Bank Bhd. *	125,700	19.80	283	19.80
	<u>634,728</u>	<u>100.00</u>	<u>1,429</u>	<u>100.00</u>

Neither PHNB nor PNB has any direct equity holding in the above stockbroking company.

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

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

29. RELATED PARTY DISCLOSURES

	2012 RM	2011 RM
Amanah Saham Nasional Berhad ("ASNAB"), a wholly-owned subsidiary of PNB		
- Rental income received	308,000	309,250
- Rental deposits received	98,600	98,600
MBB, a substantial shareholder of the Manager		
- Rental income received	261,251	261,251
- Interest income from deposit placement	31,248	32,493
- Rental deposits received	<u>72,313</u>	<u>72,313</u>

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

30. PORTFOLIO TURNOVER RATIO

	2012	2011
Portfolio Turnover Ratio ("PTR")	<u>0.06 times</u>	<u>0.06 times</u>

PTR is the ratio of the average of acquisitions and disposals of investments for the year to the average net asset value of the Trust, calculated on a yearly basis.

Since the average net asset value of the Trust is calculated on a yearly basis, comparison of the PTR of the Trust with other units trusts which use different basis of calculation may not be an accurate comparison.

31. MANAGEMENT EXPENSE RATIO

	2012	2011
Management Expense Ratio ("MER")	<u>1.51%</u>	<u>1.37%</u>

MER is calculated based on the total fees and expenses incurred by the Trust divided by the average net asset value of the Trust for the year.

Since the average net asset value of the Trust is calculated on a yearly basis, comparison of the MER of the Trust with other units trusts which use different basis of calculation may not be an accurate comparison.

32. SEGMENTAL REPORTING

Geographical information

The Trust's assets are located in Malaysia and hence, revenue is generated in Malaysia.

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

33. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The Trust's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in Note 3(d), 3(e) and 3(f) describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities of the Trust in the statement of financial position as at 31 December 2012 by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Financial assets at FVTPL RM	Loans and Receivables RM	Financial liabilities at amortised cost RM	Total RM
31.12.2012				
Assets				
Quoted equity investments	1,998,404	-	-	1,998,404
Deposits with financial institution	-	13,812,534	-	13,812,534
Trade receivables	-	486,371	-	486,371
Other receivables	-	339,861	-	339,861
Cash and bank balances	-	102,599	-	102,599
Total financial assets	1,998,404	14,741,365	-	16,739,769
Total non-financial assets				161,826,260
				178,566,029
Liabilities				
Revolving credit facility	-	-	14,389,641	14,389,641
Rental deposits	-	-	3,874,405	3,874,405
Other payables	-	-	774,131	774,131
Amount due to Manager	-	-	135,069	135,069
	-	-	19,173,246	19,173,246
Realised gain on disposal of investments	30,450	-	-	30,450
Unrealised gain on valuation of investments	184,484	-	-	184,484
Dividends	80,336	-	-	80,336
Interest income	-	360,409	-	360,409
Financing costs	-	-	(497,311)	(497,311)

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

33. FINANCIAL INSTRUMENTS (CONTD.)

(a) Classification of financial instruments (Contd.)

	Financial assets at FVTPL RM	Loans and Receivables RM	Financial liabilities at amortised cost RM	Total RM
31.12.2011				
Assets				
Quoted equity investments	1,813,696	-	-	1,813,696
Deposits with financial institution	-	10,025,578	-	10,025,578
Trade receivables	-	452,962	-	452,962
Other receivables	-	343,965	-	343,965
Cash and bank balances	-	45,359	-	45,359
Total financial assets	1,813,696	10,867,864	-	12,681,560
Total non-financial assets				158,469,111
				171,150,671
Liabilities				
Revolving credit facility	-	-	9,649,096	9,649,096
Rental deposits	-	-	4,202,646	4,202,646
Other payables	-	-	696,434	696,434
Amount due to Manager	-	-	133,872	133,872
	-	-	14,682,048	14,682,048
Realised loss on disposal of investments	(112,451)	-	-	(112,451)
Unrealised gain on valuation of investments	3,465	-	-	3,465
Dividends	220,454	-	-	220,454
Interest income	-	309,915	-	309,915
Financing costs	-	-	(216,380)	(216,380)

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

33. FINANCIAL INSTRUMENTS (CONTD.)

(a) Classification of financial instruments (Contd.)

	Financial assets at FVTPL RM	Loans and Receivables RM	Financial liabilities at amortised cost RM	Total RM
1.01.2011				
Assets				
Quoted equity investments	1,960,674	-	-	1,960,674
Deposits with financial institution	-	8,969,450	-	8,969,450
Trade receivables	-	976,062	-	976,062
Other receivables	-	839,799	-	839,799
Cash and bank balances	-	183,135	-	183,135
Total financial assets	1,960,674	10,968,446	-	12,929,120
Total non-financial assets				146,394,451
				159,323,571
Liabilities				
Revolving credit facility	-	-	933,689	933,689
Rental deposits	-	-	4,071,624	4,071,624
Other payables	-	-	520,594	520,594
Amount due to Manager	-	-	130,766	130,766
	-	-	5,656,673	5,656,673
Realised loss on disposal of investments	51,385	-	-	51,385
Unrealised gain on valuation of investments	184,621	-	-	184,621
Dividends	88,399	-	-	88,399
Interest income	-	235,548	-	235,548
Financing costs	-	-	(23,019)	(23,019)

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

33. FINANCIAL INSTRUMENTS (CONTD.)

(b) Financial instrument that are carried at fair value

The Trust's financial assets at FVTPL are carried at fair value. The fair values of these financial assets were determined using prices in active markets for identical assets.

Quoted equity instruments

Fair value is determined directly by reference to their published market bid price at the reporting date.

For instruments quoted on Bursa Malaysia, the market bid prices are determined by reference to the theoretical closing market price as published by Bursa Malaysia.

(c) Financial instruments that are carried at fair value and whose carrying amounts are reasonable approximation of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value are as follows

- (i) Deposits with financial institutions
- (ii) Trade receivables
- (iii) Other receivables/payables
- (iv) Amount due to Manager
- (v) Revolving credit facility

The carrying amount of these financial assets and liabilities are reasonable approximation of fair values due their short term nature.

There are no financial instruments which are not carried at fair values and whose carrying amounts are not reasonable approximation of their respective fair values.

The methods and basis for the determination of fair value of the Trust's financial instruments in the current financial year are consistent with that of the previous financial year.

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Introduction

The Trust maintains investment portfolios in a variety of listed financial instruments as dictated by its Trust Deed and investment management strategy.

The Trust is exposed to a variety of risks including market risk (which includes interest rate risk, and price 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 controlling 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 controlling 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.

(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 risk management purposes.

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

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

(f) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The maximum risk resulting from financial instruments equals their fair value.

(i) Interest rate risk

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.

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.

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(f) Market risk (Contd.)

(i) Interest rate risk (Contd.)

Interest rate risk sensitivity (Contd.)

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.

	Sensitivity of other Changes in basis points *	Sensitivity of interest income and profit Increase/ (decrease) RM
2012		
Deposit with financial institution	+50 /-50	69,063/ (69,063)
Financing	+50 /-50	71,948/ (71,948)
2011		
Deposit with financial institution	+50 /-50	50,128/ (50,128)
Deposit with financial institution	+50/-50	48,245/ (48,245)

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

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(f) Market risk (Contd.)

(ii) Interest rate risk exposure

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

	0-3 months RM	3 months - 1 year RM	Non-interest bearing RM	Effective Interest rate * %
31.12.2012				
Assets:				
Financial assets held at FVTPL	-	-	1,998,404	-
Deposits with financial institutions	13,438,641	373,893	-	3.15
Other assets	-	-	927,348	-
Total assets	13,438,641	373,893	2,925,752	
Liabilities:				
Financing	-	14,389,641	-	3.97
Other liabilities	-	-	4,591,663	-
Total liabilities	-	14,389,641	4,591,663	
Total interest sensitivity gap	13,438,641	(14,015,748)	(1,665,911)	

* Computed based on interest-bearing assets only

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(f) Market risk (Contd.)

(ii) Interest rate risk exposure (Contd.)

	0-3 months RM	3 months - 1 year RM	Effective Non-interest bearing RM	Interest rate * %
31.12.2011				
Assets:				
Financial assets held at FVTPL	-	-	1,813,696	-
Deposits with financial institutions	9,163,095	862,483	-	3.32
Other assets	-	-	784,033	-
Total assets	9,163,095	862,483	2,597,729	
Liabilities:				
Financing	-	9,649,096	-	4.05
Other liabilities	-	-	4,779,745	-
Total liabilities	-	9,649,096	4,779,745	
Total interest sensitivity gap	9,163,095	(8,786,613)	(2,182,016)	
1.01.2011				
Assets:				
Financial assets held at FVTPL	-	-	1,960,674	-
Deposits with financial institutions	8,253,416	716,034	-	2.97
Other assets	-	-	1,790,478	-
Total assets	8,253,416	716,034	3,751,152	
Liabilities:				
Financing	-	933,689	-	3.72
Other liabilities	-	-	4,504,439	-
Total liabilities	-	933,689	4,504,439	
Total interest sensitivity gap	8,253,416	(217,655)	(753,287)	

* Computed based on interest-bearing assets only

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(f) Market risk (Contd.)

(iii) Equity price risk

Equity price risk is the risk of unfavourable changes in the fair values of equities as the result of changes in the levels of equity indices and the value of individual shares. The equity price risk exposure arises from the Trust's investments in quoted equity securities.

(iv) Equity price sensitivity

Management's best estimate of the effect on the profit/(loss) for the year and other comprehensive income due to a reasonably possible change in equity indices, with all other variables held constant is indicated in the table below:

Market index	Changes in equity price %	Effects on profit for the year increase/ (decrease) RM
2012		
FTSE Bursa Malaysia KLCI	+10 /-10	199,840 / (199,840)
2011		
FTSE Bursa Malaysia KLCI	+10/-10	181,370/ (181,370)

An equivalent decrease in each of the indices shown above would have resulted in an equivalent, but opposite, impact.

In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material.

Equity price concentration

All the equity investments of the Trust are made in Malaysian entities. The Trust's concentration of equity price risk analysed by the Trust's equity instruments by sector is as disclosed in Note 13 and 14.

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(g) 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 Fund's counterparties e.g., brokers, custodians, banks, etc.

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 18.

(h) 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 Fund could be required to pay its liabilities earlier than expected.

It is the Trust's policy that the Manager monitors the Trust's liquidity position on a daily basis.

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements. Liquid assets comprise cash, deposits with financial institutions and other instruments which are capable of being converted into cash within 7 days.

The following table summarises the maturity profile of the Trust's units in issue (classified as equity instruments) and financial liabilities. Balances due within six months equal their carrying amounts, as the impact of discounting is insignificant. The table also analyses the maturity profile of the Trust's financial assets (undiscounted where appropriate) in order to provide a complete view of the Trust's contractual commitments and liquidity.

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(h) Liquidity Risk (Contd.)

	Less than 1 month RM	1 month to 3 months RM	3 months to 1 year RM	Total RM
31.12.2012				
Financial assets:				
Financial assets held at				
FVTPL	1,998,404	-	-	1,998,404
Deposits with				
financial institutions	13,438,641	373,893	-	13,812,534
Other assets	604,306	324,042	-	928,348
Total undiscounted financial assets	<u>16,041,351</u>	<u>697,935</u>	<u>-</u>	<u>16,739,286</u>
Financial liabilities:				
Financing	-	-	14,389,641	14,389,641
Other liabilities	4,591,663	-	-	4,591,663
Total undiscounted financial liabilities	<u>4,591,663</u>	<u>-</u>	<u>14,389,641</u>	<u>18,981,304</u>
31.12.2011				
Financial assets:				
Financial assets held at				
FVTPL	1,813,696	-	-	1,813,696
Deposits with				
financial institutions	9,163,095	862,483	-	10,025,578
Other assets	396,242	387,791	-	784,033
Total undiscounted financial assets	<u>11,373,033</u>	<u>1,250,274</u>	<u>-</u>	<u>12,623,307</u>
Financial liabilities:				
Financing	-	-	9,649,096	9,649,096
Other liabilities	4,779,745	-	-	4,779,745
Total undiscounted financial liabilities	<u>4,779,745</u>	<u>-</u>	<u>9,649,096</u>	<u>14,428,841</u>

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(h) Liquidity Risk (Contd.)

	Less than 1 month RM	1 month to 3 months RM	3 months to 1 year RM	Total RM
1.01.2011				
Financial assets:				
Financial assets held at				
FVTPL	1,960,674	-	-	1,960,674
Deposits with				
financial institutions	8,253,416	716,034	-	8,969,450
Other assets	814,416	976,062	-	1,790,478
Total undiscounted financial assets	11,028,506	1,692,096	-	12,720,602
Financial liabilities:				
Financing	-	-	933,689	933,689
Other liabilities	4,504,439	-	-	4,504,439
Total undiscounted financial liabilities	4,504,439	-	933,689	5,438,128
Liquidity gap	6,524,067	1,692,096	(933,689)	

(i) Financial assets

Analysis of financial assets at fair value through profit or loss into maturity groupings is based on the expected date on which these assets will be realised. Quoted equity instruments have been included in the "Less than 1 month category" on the assumption that these are highly liquid investments which can be realised should all of the Trust's unit holders' capital are required to be redeemed. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised/maturity dates of the financial assets.

(ii) Financial liabilities

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.

Notes To The Financial Statements

For The Year Ended 31 December 2012 (Contd.)

35. COMPARATIVES

The following comparative amounts have been reclassified to conform with current year presentation:

	As previously reported RM	Adjustment RM	As restated RM
31.12.2011			
Trade receivables	452,962	66,788	519,750
Other receivables	343,965	(66,788)	277,177
1.01.2011			
Trade receivables	976,062	203,106	1,179,168
Other receivables	839,799	(203,106)	636,693

36. CURRENCY

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

Unit Holders Resource Page

The following information is intended to help you in answering the “What to do?” questions that you may have in managing some of the common issues concerning your investment in AHP.

1. I am holding unit certificate of Amanah Harta Tanah PNB. What is the status of my units and what should I do?

- “Old” unit certificates issued in 1989 (pink in colour) is no longer valid as they have been replaced with “new” certificates (blue in colour) in 1990.
- If you are holding the “new” unit certificate issued in 1990, it is very likely that your units have been transferred to the Minister of Finance by virtue of Section 29 of the Securities Industry (Central Depositories) (Amendment)(No. 2) Act 1998 (refer to “What if my units have been transferred to the Minister of Finance?”).
- If you have the “old” certificate but do not have the “new” unit certificate, kindly check your CDS account as you may have already deposited the “new” certificate into your CDS account. There is also possibility that you have sold/transferred the units subsequent to depositing the certificate into your CDS account.
- It is recommended that you check your records (bank statements, CDS statements, etc) to determine the status of your units before contacting the Share Registrar (Symphony Share Registrars Sdn Bhd). It is very difficult and time consuming for the Share Registrar to check records which are over 7 years old (please note that the Share Registrar is not obligated to keep records which are over 7 years old).

2. How to update any change in correspondence address?

- You simply need to update the details of your CDS account in which your units are deposited into.
- To update your CDS account details, simply contact your broker or the “CDS Department” of the securities company at which you opened your CDS account.
- During each income distribution, the Share Registrar will obtain a copy of Record of Depositors (ROD) from Bursa Malaysia Depository Sdn Bhd which contains information such as your name, your CDS account no., correspondence address and the number of AHP units that you have. The data in the ROD corresponds with the details of your CDS account. Thus, by updating your CDS account, the Share Registrar can “obtain” your latest address from the ROD.

Unit Holders Resource Page

3. AHP had made income distribution but I still have not received my income distribution warrant.

- If you have not deposited your units into CDS account, your units would have been transferred to the Minister of Finance (refer to *"What if my units have been transferred to the Minister of Finance?"*).
- If your correspondence address have changed after the entitlement date of the income distribution, your warrant would have been sent to your old address. Kindly check at your old address or you could also request for a replacement warrant in which case it is treated as lost income distribution warrant (refer to *"How do I obtain a replacement income distribution warrant?"*).
- If you have not moved and there is no change in your correspondence address and it has been more than 2 weeks after the payment date of the income distribution, it is highly possible that the warrant is lost in mail and therefore you could contact the Share Registrar for a replacement warrant (refer to *"How do I obtain a replacement income distribution warrant?"*).

4. How do I obtain a replacement income distribution warrant?

- Contact the Share Registrar (Symphony Share Registrars Sdn Bhd) to request for a replacement warrant.
- Any request for replacement warrant involves a fee of RM5.00.
- Contact details of the Share Registrar:
SYMPHONY SHARE REGISTRARS SDN BHD
LEVEL 6, SYMPHONY HOUSE
BLOCK D13, PUSAT DAGANGAN DANA 1
JALAN PJU 1A/46
47301 PETALING JAYA
SELANGOR
Tel: 03-7841 8000
Fax: 03-7841 8151 / 8152

5. How do I get my expired/out-dated warrant replaced?

- Income distribution warrant is valid for six months from the payment date
- Expired/out-dated warrants can be replaced by contacting the Share Registrar (refer to *"How do I obtain a replacement income distribution warrant?"*).

Unit Holders Resource Page

6. What if my units have been transferred to the Minister of Finance?

- Under Section 29 of the Securities Industry (Central Depositories) (Amendment)(No. 2) Act 1998, any securities not deposited into CDS account by 1 December 1998 would be transferred to the Minister of Finance.
- Affected unit holders were given until 1 June 1999 to file a claim with the authorities for the recovery of their units.
- Unit holders who failed to file a claim for recovery, now can only claim for refund of proceeds from the sale of the units by submitting relevant forms and supporting documents to the Jabatan Akauntan Negara (refer to *"How to claim for refund of sale proceeds from Jabatan Akauntan Negara?"*).

7. If a unit holder passed-away, what happened to his/her units?

- If the units have been deposited into CDS account of the deceased, the units will remain in the account and the duly authorised administrator or beneficiaries can submit application for the units to be transferred into their CDS account (refer to *"I am the authorised administrator of the estate of a deceased unit holder. How do I get the units transferred?"*).
- If the units have not been deposited into CDS account, duly authorised administrator or beneficiaries can submit application to the Jabatan Kauntan Negara for refund of proceeds from the disposal of the units (refer to *"How to claim for refund of sale proceeds from Jabatan Akauntan Negara"*).

8. I am the authorised administrator of the estate of a deceased unit holder. How do I get the units of the deceased transferred to my CDS account?

- If the units are to be transferred to you, you should have a Central Depository System Account (CDS Account) opened in your name.
- CDS account can be opened at any stock broking companies. A minimal one-time fee of RM10.00 is applicable.
- If you are in the Klang Valley, you may proceed directly to the Customer Service Counter of Bursa Malaysia (located on the ground floor) to fill-in the relevant forms and submit certified copy of the relevant Letter of Administration or Grant of Probate.
- If you are outside of Klang Valley, you may submit your application through the stock broking company at which your CDS account is maintained.

Unit Holders Resource Page

9. How to claim for refund of sale proceeds from Jabatan Akauntan Negara?

- Obtain Form SPS2 and UMA7 from Jabatan Akauntan Negara or from the Share Registrar (Symphony Share Registrars Sdn Bhd).
- Duly completed forms and supporting documents should be submitted to:
**JABATAN AKAUNTAN NEGARA
SEKSYEN PENGURUSAN SEKURITI
TINGKAT 42, MENARA MAYBANK
100, JALAN TUN PERAK
50050 KUALA LUMPUR
Tel: 03-2034 1850 (ext. 119/123/124/125)
Faks: 03-2026 7430**
- Relevant supporting documents:
 - i. Original unit certificate
 - ii. Certified copy of identity card
 - iii. Certified copy of Letter of Administration/Grant of Probate (for deceased case)
- Additional supporting documents if original unit certificate is lost:
 - i. Confirmation letter from the Share Registrar
 - ii. Copy of newspaper advertisement if value of claim in excess of RM10,000 (contact Jabatan Akauntan Negara to confirm the value of claim)
 - iii. Statutory declaration
 - iv. Original/certified copy of police report
 - v. Form UMA-8 (with RM10 revenue stamp duly endorsed by IRB)

10. How can I buy/sell units of AHP?

- AHP is a real estate investment trust which is listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Securities).
- As a listed counter, the process of buying/selling units of AHP is similar to those of other listed counters.
- Buying and selling of units can only be carried out through licensed stock broking companies.

PELABURAN HARTANAH NASIONAL BERHAD (175967-W)

Tingkat 31, Menara PNB, 201-A, Jalan Tun Razak

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Email : phnb@pnb.com.my