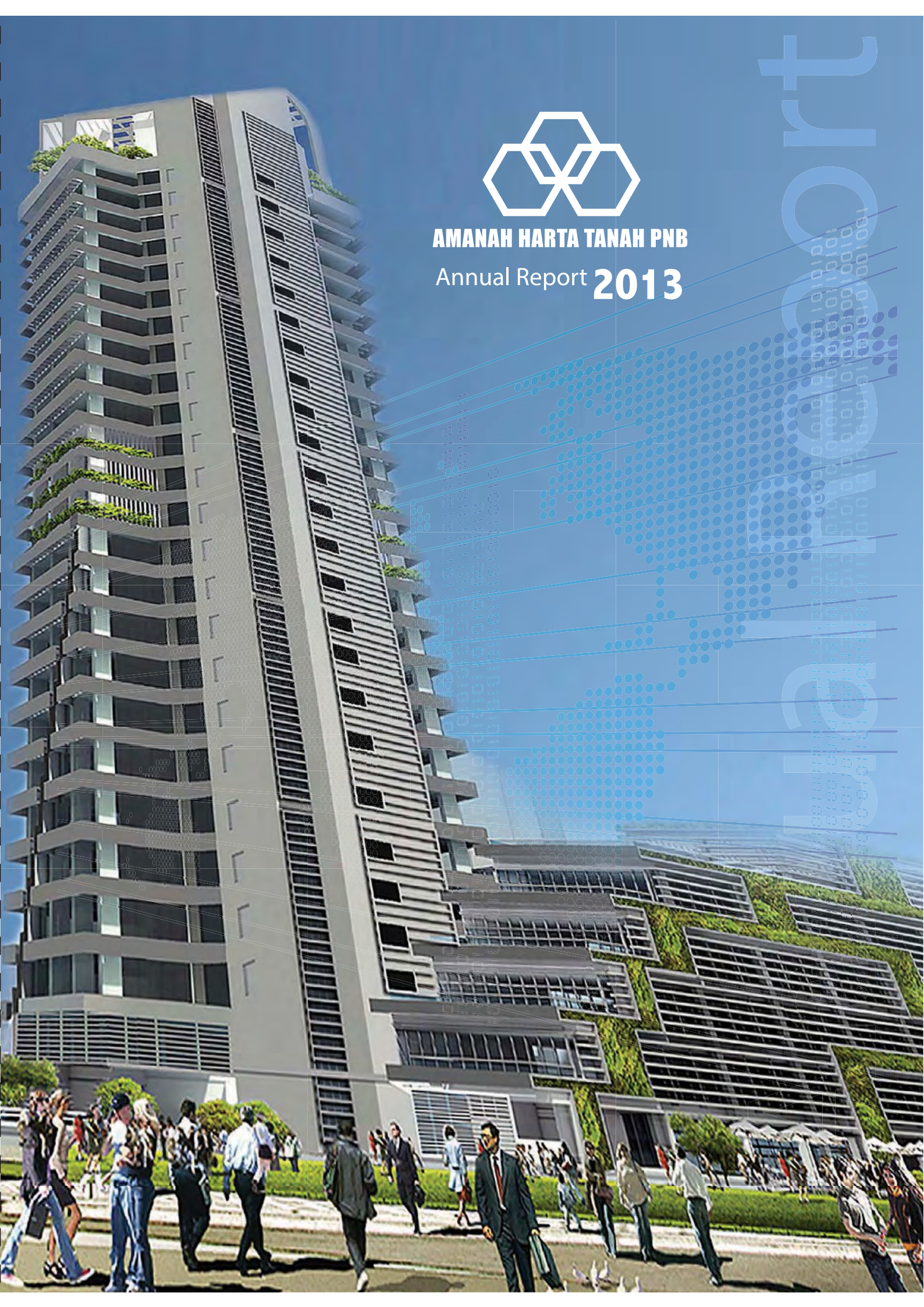




AMANAH HARTA TANAH PNB
Annual Report **2013**



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AMANAH HARTA TANAH PNB

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
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 Abdul Jamil
Dato' Seri 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 UNIT HOLDERS

Symphony Share Registrars Sdn. Berhad (378993-D)
Level 6 Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Telephone : 03-78418000
Facsimile : 03-78418151/52

AUDITORS

Mssrs. 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

Main Market of Bursa Malaysia Securities Berhad

STOCK NAME / STOCK CODE

AHP / 4952

WEBSITE

www.ahp.com.my

BOARD OF DIRECTORS OF THE MANAGER



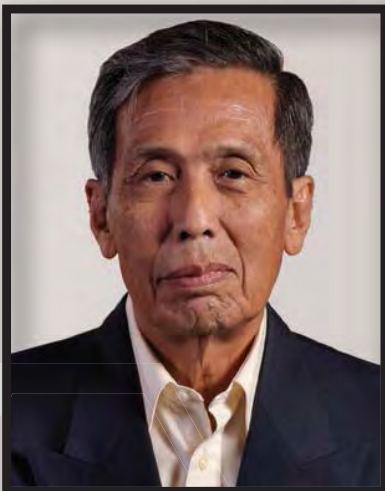
**Tun Ahmad Sarji bin Abdul Hamid
(Chairman)**



**Tan Sri Dato' Sri Hamad Kama Piah
bin Che Othman**



**Tan Sri Dato' Seri Ainum
binti Mohamed Saaid**



**Dato' Seri Mohd. Hussaini
bin Abdul Jamil**



**Dato' Seri 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)**



STATEMENT BY THE CHAIRMAN OF THE MANAGER

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, 2013.

FINANCIAL RESULTS

For the financial year ended December 31, 2013, AHP earned a total income of RM8,456,717 (2012: RM12,701,689) comprising net rental income of RM8,597,202 (2012: RM9,165,683), other investment income which comprise of income from deposit with financial institutions, gain on disposal of quoted shares, gross dividend of RM925,427 (2012: RM771,195), and unrealised loss on valuation of quoted shares and real estates of RM1,065,912 (2012: unrealised gain of RM2,764,811).

The total expenses for 2013, comprising manager's fee, trustee's fee, auditors' remuneration, financing cost and other trust expenditure amounted to RM2,495,509 (2012: RM2,377,530), giving a net income for the year of RM5,961,208 (2012: RM10,324,159).

The reduction in income before taxation for 2013 as compared with the preceding year was mainly attributed to the unrealised loss on valuation of RM1,065,912 recorded during the year (2012: unrealised gain of RM2,764,811).

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, 2013, to December 31, 2013, which is payable on February 28, 2014. With an interim income distribution of 3.70 sen a unit for the period from January 1, 2013, to June 30, 2013, which was paid on August 30, 2013, the total income distribution for the financial year ended December 31, 2013, amounts to RM7.4 million or 7.40 sen a unit. Despite the reduction in income before taxation as explained earlier, AHP has managed to maintain the same level of income distribution rate since 2011.

INVESTMENT PORTFOLIO OF AHP

The value of the investment of AHP as at December 31, 2013, amounted to RM182.3 million. This comprises investment in real estate at a fair value of RM164.5 million, investment in quoted shares at market value of RM2.0 million and short-term investment of RM15.8 million.

INVESTMENT IN REAL ESTATE

As at December 31, 2013, the real estate in the portfolio of AHP has been reduced to seven (7) following the completion of disposal of two (2) shop premises located in Kuching and Miri, Sarawak. The average occupancy rate of real estate of AHP was 94.15% 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 91.37% despite the on-going upgrading works. The remaining four (4) real estate of AHP, comprising shop office premises, recorded average occupancy rates of 75.66% with three of the shop office premises recording 100% occupancy.

The upgrading of Plaza VADS (the Project) which is now in Phase 2 is expected to be completed in early 2015. Phase 2 of the Project involves the construction of new annex block and refurbishment of the main lobby and building façade.

Phase 1 of the Project which was completed in April 2012, involved the refurbishment and upgrading works to typical lifts lobbies, toilets, staircases, common corridors, electrical fit-out and fire protection. The total estimated cost of construction for both phases is approximately RM59 million.

REVIEW OF THE ECONOMY

Despite a challenging external environment, the Malaysian economy displayed encouraging performance in the first three quarters of 2013. Real gross domestic product (GDP) which expanded at an annualised rate of 4.1% in the first quarter, the slowest since the third quarter of 2009 on the back of global economic weakness, had gradually strengthened to 4.4% and 5.0% in the second and third quarter respectively. Overall during the January – September 2013 period, the economy posted an average growth of 4.5% and moderating from 5.3% recorded during the same period of 2012.

The respectable overall performance was supported by resilient domestic demand, which cushioned the negative impact of the continuing weak external environment. The sizeable outflows of foreign portfolio funds from the local market during the third quarter following uncertainties in global financial markets arising from the possibility of a scaling down of the US Federal Reserve Bank's asset purchase programme appeared to have limited impact on the domestic economy.

Domestic demand which recorded its highest rate of expansion for the decade of 11.7% during the first three quarters of 2012 had remained steady, although moderating to 8.0% during the first three quarters of 2013, supported by sustained consumption and investment spending. The continued resilience in domestic demand was underpinned largely by sound macroeconomic fundamentals, the more diversified and balanced economic structure, the stronger and more developed financial system, and greater macroeconomic policy flexibility. In addition, the commencement and progress of several infrastructure projects, including those under the Economic Transformation Programme (ETP) had also provided significant positive spillover effects to activities in the domestic manufacturing and services sectors during the first nine months of 2013.

As the external environment continued to show further signs of improvements, and supported by sustained domestic demand, the final quarter performance of the Malaysia economy could have remained steady. It is therefore possible that the entire 2013 real GDP growth could have expanded within the revised official projection of 4.5 - 5.0% (5.0% - 6.0% projected earlier) as against the 5.6% growth outcome in 2012.

REVIEW OF THE PROPERTY MARKET

The performance of Malaysia's property market, comprising residential, commercial and industrial properties, moderated during the first nine months of 2013.

For the Purpose-Built Office (PBO), some 337,319 sq.m. of new space was supplied into the market reflecting an increase of 1.8% from the December 2012 level, slower than the 2.2% rise of 384,372 sq.m. registered in January-September 2012. The decrease was more marked in the supply of shopping complex space which recorded a net increase of only 1.7% or 207,077 sq.m. in the first three quarters of 2013, and sharply lower than the 6.5% or 721,965 sq.m. posted in the corresponding period of the previous year.

On the demand side, 269,504 sq.m. of new space of PBO were taken-up from January-September 2013, an increase of 1.8% from the end-2012 level, and slower than January-September 2012 rise of 2.6% or 379,590 sq.m. The demand for shopping complex space on the other hand decelerated more markedly to grow by 1.8% or 176,409 sq.m. as against a faster rise of 6.1% or 549,782 sq.m. during January-September of 2013 and 2102 respectively.

As the supply and demand of PBO grow at almost the same rate during the first nine months of this year, the national PBO occupancy rate stood at 82.3% as at end-September 2013, a slight improvement from 82.1% at end-June 2013 but a shade lower than the 82.9% level in the same month last year. PBO in Kuala Lumpur had recorded better occupancy rate of 78.8% as at end-September 2013 compared with 78.0% recorded at the end of the previous quarter and marginally higher than 78.5% recorded in the same month of 2012.

As at the end of September 2013, Kuala Lumpur accounted for 39.0% of the total occupied space nationwide. The share of Kuala Lumpur's PBO against the total national PBO had reduced modestly from 40.3% recorded in the same month last year, indicating a faster rise of office supply elsewhere in the country particularly Selangor which significantly registered a higher share of PBO of 16.1% at end- September 2013 compared with 14.3% for the same period in 2012.

Latest available statistics from NAPIC reported that the average rentals of PBO in Kuala Lumpur City Centre/Golden Triangle including areas (such as Jalan Ampang, Jalan Tun Razak and Jalan Pinang) during the second quarter 2013 rose to RM58.3 per sq.m./month (RM5.42 per square foot (psf)/month), increasing at an annualised rate of 9.6%. The rentals of PBO Within City Centre (WCC) which covers areas such as Jalan Bangsar, Wangsa Maju and Mid Valley for the same period rose higher by 12.7% to RM45.9 per sq.m./month (RM4.27 psf/month). On the same note, Suburban areas (including Sri Petaling, Damansara and Cheras) registered a slower annualised growth rental rate of 5.2% to RM41.2 per sq.m. (RM3.83 psf/month) during the second quarter 2013 compared with the same period last year.

PROSPECTS

Going forward, emerging signs of a recovery in the major advanced economies are expected to support the overall global growth. Uncertainties surrounding the fiscal and monetary policy adjustments in these economies, however, may affect market sentiment and overall growth prospects in the global economy. While global policy spillovers may have some impact on Asia, growth will continue to be underpinned by domestic demand.

For the Malaysian economy, the gradual recovery in the external sector will support growth. Domestic demand from the private sector will remain supportive of economic activity amid the continued consolidation of the public sector. The economy is therefore expected to remain on its steady growth trajectory of 5.0% - 5.5%. On account of a further subsidy rationalisation exercise to be undertaken in 2014 to achieve a lower budget deficit of 3.5% of GDP, inflation may likely edge upwards to more than 3.0%.

The property cooling measures announced in the recent National Budget 2014 are expected to have more impact on the residential property subsector rather than commercial and industrial property subsectors. Despite the positive economic outlook, the demand for residential property is anticipated to be affected leading to possible market softening for this segment in 2014 due higher Real Property Gain Tax (RPGT), abolishment of Developer Interest Bearing Scheme (DIBS) and other loan tightening measures imposed by the Bank Negara Malaysia. The demand for commercial property on the other hand is expected to remain stable in tandem with better economic prospects for the year going forward. The demand for PBO, despite concerns on oversupply, is also expected to remain steady due to the spillover effects from the ongoing implementation of Economic Transformation Programme (ETP) which had attracted RM220 billion committed investments in the last three years of implementation.

According to figures from NAPIC, the commercial property subsector is forecast to expand by 10.1% over the next three years (annualised 3.4%). PBO subsector is expected to receive another 2.23 million sq.m. or 12.0% of existing stock within the next three years (annualised 3.0%). A large number of incoming supply of PBO will be in Kuala Lumpur and Selangor. The metropolitan and the state are estimated to receive another 1.26 million sq.m (56.0% of total incoming supply) and 393,284 sq.m. (17.5% of total incoming supply) respectively.

Likewise, the shopping complex and industrial subsectors are estimated to increase 9.5% (annualised 3.2%) and 8.9% (annualised 3.0%) respectively within the next three years. As at September 2013, it was estimated that there will be 1.17 million sq.m. of incoming supply of shopping complex and 8,470 units of incoming supply of industrial units within the next three-year period.

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

PARTICULARS OF DIRECTORS OF THE MANAGER

Board of Director's Attendance Record

Director	Attendance (No. of Meetings Held: 5)	Date of Appointment
Tun Ahmad Sarji bin Abdul Hamid	5/5	22.01.1997
Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman	4/5	24.06.1998
Tan Sri Dato' Seri Ainum binti Mohamed Saaid	5/5	31.03.2009
Dato' Seri Mohd. Hussaini bin Abdul Jamil	5/5	12.11.1998
Dato' Seri Abd. Wahab bin Maskan	2/5	17.09.1990
Dato' Idris bin Kechot	4/5	03.03.2010

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) Committee

The Board of Directors of the manager 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 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 Datuk Dr. Nik Mohd. Zain bin Haji Nik Yusof |

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

PARTICULARS OF DIRECTORS OF THE MANAGER (CONTD.)

(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:

- The Fall of the West & the Rise of Asia: What are the Mechanisms at Work & Where is Malaysia's Place
- Corporate Governance and Short-Termism
- Risk Management Forum: Embracing Risk for Long-Term Corporate Success – Boosting Your Risk Governance
- Briefing on Financial Services Act 2013 (FSA) and Islamic Financial Services Act 2013 (IFSA)
- Promise of Islamic Finance: What Needs to be Done to Make it a Reality
- Board Leadership and Integrity

(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 Commonwealth University of Malaysia Berhad 7. Amanah Mutu al 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. Permodalan Nasional Berhad 3. Amanah Saham Nasional Berhad 4. Sime Darby Property Berhad 5. Amanah Mutu al Berhad 6. Yayasan Karyawan 7. Securities Industry Dispute Resolution Centre 8. 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 Abdul Jamil	Nil
Dato' Seri 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 Mutu al Berhad 4. Northport (Malaysia) 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 75, 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, United States of America and a Diploma in Public Administration from the Institute of Social Studies, 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, United Kingdom, and the Asian Institute of Management, Manila, Philippines, and Joint-Chairman, Malaysia Centre for Commonwealth Studies, University of Cambridge, 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 62, 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 67, 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 77, 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.





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

Dato' Seri Abd. Wahab bin Maskan, aged 63, a Malaysian, was appointed to the Board of Directors of PHNB on September 17, 1990.

Dato' Seri Abd. Wahab is the Group Chief Operating Officer of Sime Darby Berhad and Managing Director of Sime Darby Property Berhad. Dato' Seri 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' Seri 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), 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 58, 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 OF THE MANAGER

Property Investment Committee Member' Attendance Record

Member	Attendance (No. of Meetings Held : 1)	Date of Appointment
Dato' Seri Mohd. Hussaini bin Abdul Jamil	1/1	04.01.2004
Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman	1/1	04.01.2004
Dato' Johan bin Ariffin	1/1	04.01.2004
Dato' Ir Jamaluddin bin Osman	0/1	04.01.2004
Professor Datuk Dr. Nik Mohd. Zain bin Haji Nik Yusof	0/1	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 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.

PROFILE OF MEMBERS OF THE PROPERTY INVESTMENT COMMITTEE

DATO' SERI MOHD. HUSSAINI BIN ABDUL JAMIL (Independent Chairman)

Please refer to Directors' Profile

TAN SRI DATO' SRI HAMAD KAMA PIAH BIN CHE OTHMAN (Non-independent Member)

Please refer to Directors' Profile

DATO' JOHAN BIN ARIFFIN (Independent Member)

Dato' Johan bin Ariffin, aged 54, 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.

DATO' IR. JAMALUDDIN BIN OSMAN
(Independent Member)

Dato' Ir. Jamaludin bin Osman, aged 58, 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 its subsidiaries and Projek Lintasan Kota Holdings Sdn. Berhad.

PROFESSOR DATUK DR. NIK MOHD. ZAIN BIN HAJI NIK YUSOF
(Independent Member)

Prof. Datuk Dr. Nik Mohd. Zain bin Haji Nik Yusof, aged 67, 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, United Kingdom.

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 Chief Executive Officer of the Manager



**ENCIK HAFIDZ ATRASH KOSAI BIN MOHD ZIHIM
FCA (Ireland), CA (Malaysia)**

Encik Hafidz Atrash Kosai bin Mohd Zihim, aged 38, 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 Vice President for the Famemas Malaysia Sports Supporters Club and as the President of the Malaysian Irish Alumni Association. He is also the President of his Resident's Association and Secretary for his 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,	2013	2012	2011
Total Asset Value (RM'000)	183,967	178,566	171,151
Net Asset Value (RM'000)	157,954	159,393	156,469
Net Asset Value per Unit (sen)	157.95	159.39	156.47
Highest Net Asset Value per unit (sen)	157.95	159.39	156.47
Lowest Net Asset Value per unit (sen)	156.41	154.05	151.65
Unit in Circulation ('000)	100,000	100,000	100,000
Highest Traded Price per Unit (sen)	127.0	111.0	111.0
Lowest Traded Price per Unit (sen)	106.0	103.0	95.0
Distribution to Unitholders (RM'000)	7,400 *	7,400 *	7,400 *
Income Distribution per Unit			
Interim (sen)	3.70*	3.70*	3.70*
Date of Distribution	30/08/2013	28/08/2012	25/08/2011
Final (sen)	3.70*	3.70*	3.70*
Date of Distribution	28/02/2014	28/02/2013	29/02/2012
Net Asset Value per Unit After Income Distribution (sen)	154.25	155.69	152.77
Distribution Yield (%)	6.55	6.73	7.05
Management Expense Ratio (%)	1.16	1.47	1.27
Portfolio Turnover Ratio (times)	0.87	0.81	0.77

Note: * Exempted from tax at Trust level

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

AVERAGE ANNUAL RETURN

	One Year %	Three Years %	Five Years %	Since 1989 %
AHP	9.45	11.59	16.19	7.50
Kuala Lumpur Composite Index (KLCI)	10.54	7.12	16.19	7.13
Property Index	22.74	8.21	20.42	1.60

ANNUAL TOTAL RETURN FOR THE LAST FIVE FINANCIAL YEARS

Financial Year Ended December 31,	2013	2012	2011	2010	2009
Total Return (%)	9.45	11.81	13.54	15.43	32.00
Capital Return (%)	2.73	4.76	6.06	7.61	22.67
Income Return (%)	6.55	6.73	7.05	7.27	7.61
Benchmark *	22.74	3.22	(2.07)	30.59	53.03

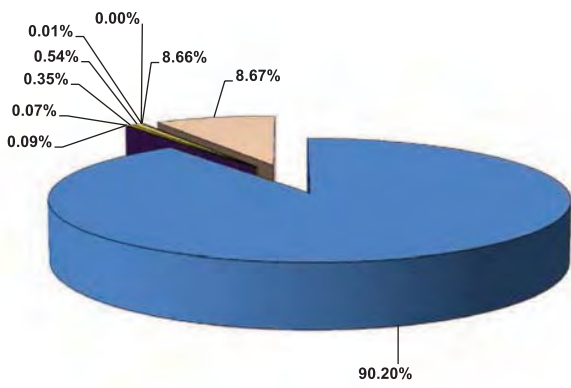
* Benchmark: Property index

NOTE:

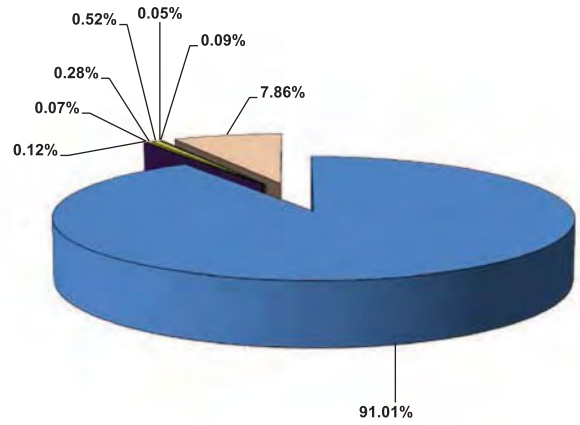
Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

COMPOSITION OF INVESTMENT PORTFOLIO

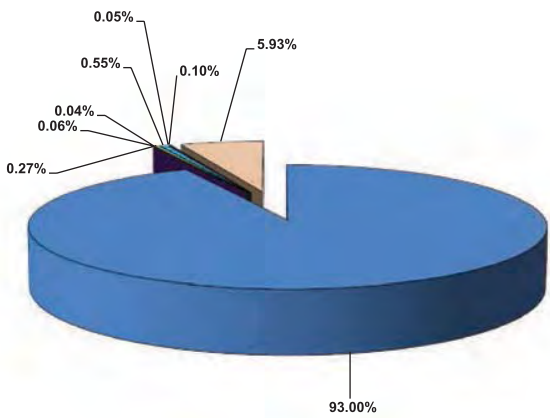
2013



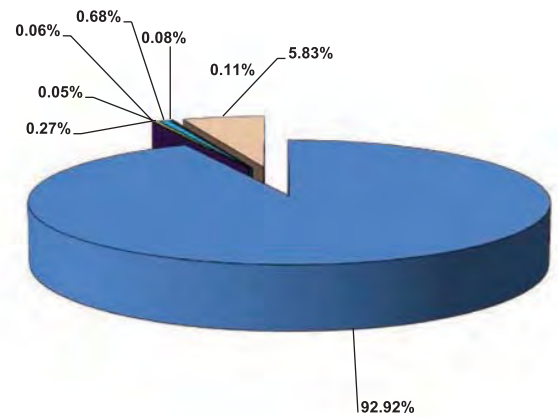
2012



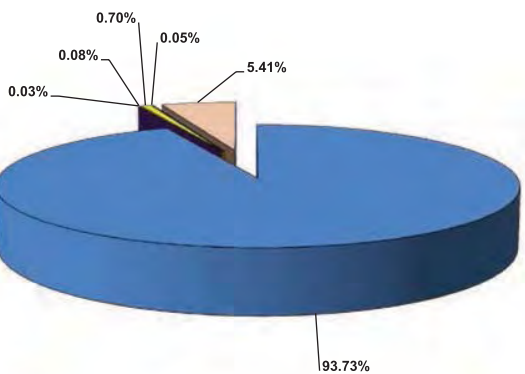
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2010



2009

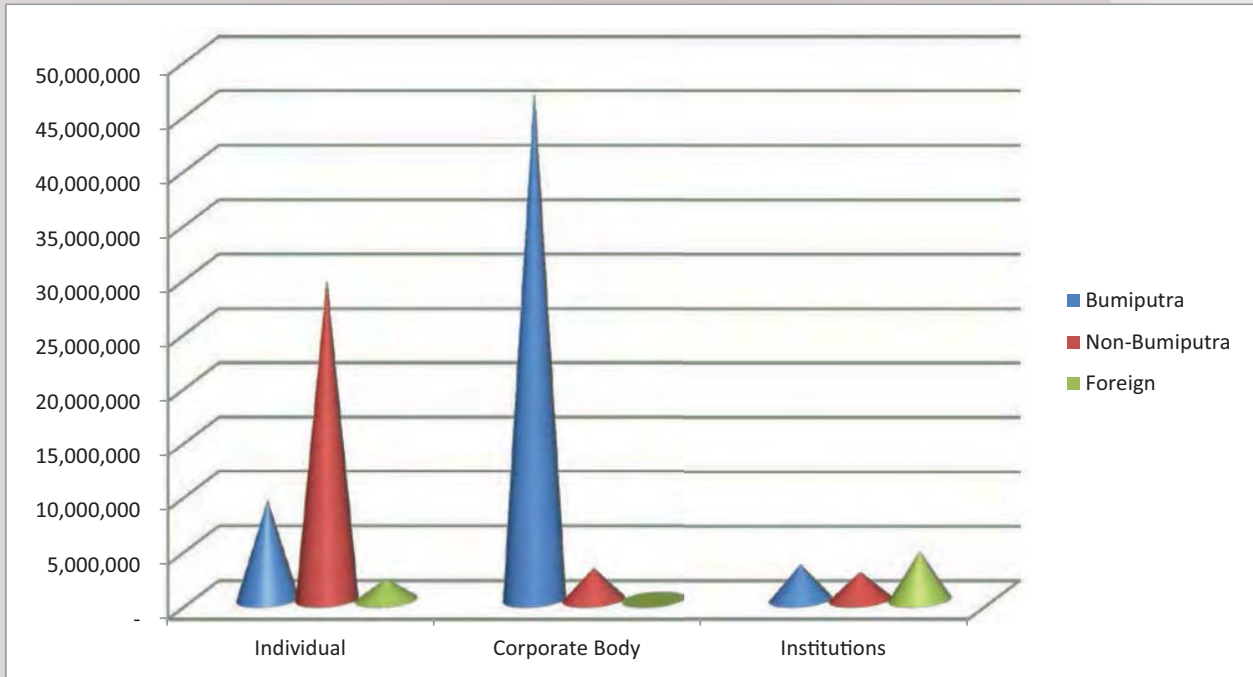


- Real Estate
- Real Estate Investment Trust
- Consumer Products *
- Finance *
- Trading *
- Infrastructure Project *
- Industrial Product
- Plantations *
- Property *
- Short-term investment and cash

Note: * Investment in Quoted Shares

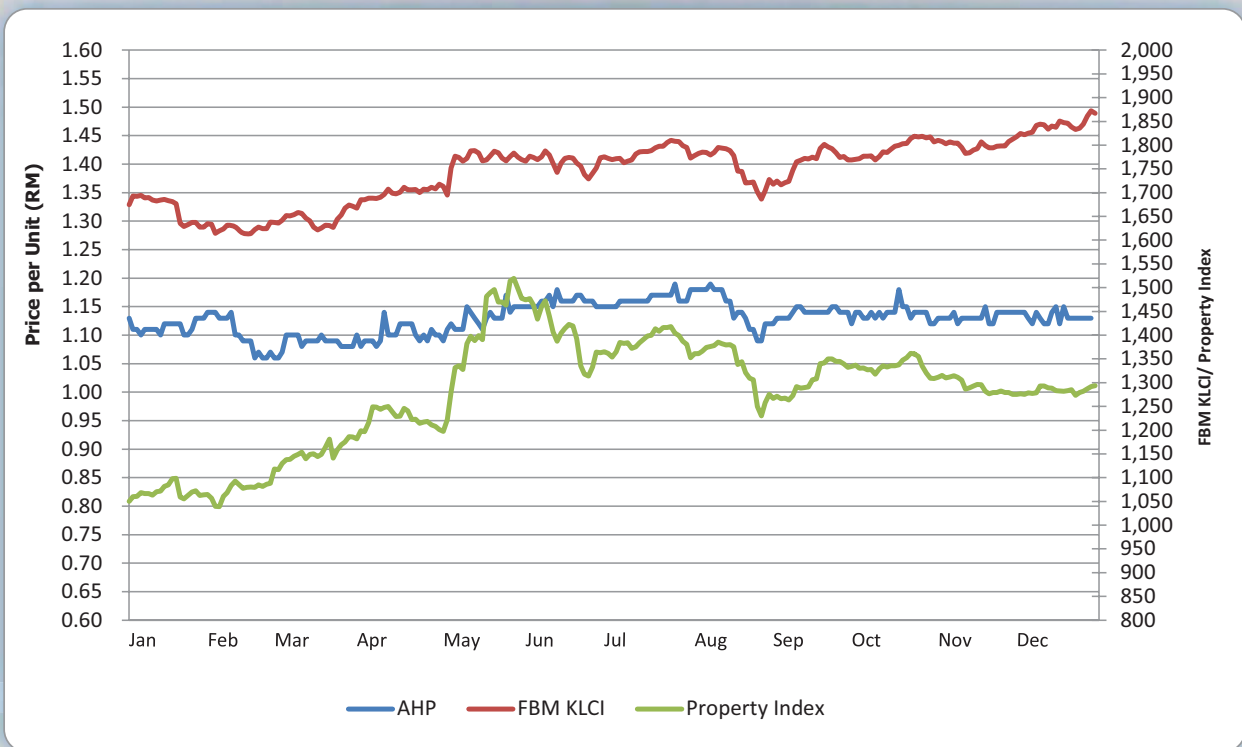
UNIT HOLDINGS AND MARKET PRICE

ANALYSIS OF UNIT HOLDINGS AS AT 31 DECEMBER 2013



MARKET PRICE

Per unit for the year 2013



PROPERTY PORTFOLIO
LIST OF REAL ESTATES AS AT 31 DECEMBER 2013

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 2013 (RM '000)	Net Book Value (RM '000)	Revaluation Surplus / (Deficit)		Method of Valuation (Date of Valuation)
										Valuation in 2013 (RM '000)	Valuation in 2012 (RM '000)	
1. 24-Storey Office Building known as Plaza VADS Taman Tun Dr. Ismail Kuala Lumpur	Freehold	23	190,445	21/03/1989	45,909	28,893	74,802	100,000	106,108	(6,108)	2,897	Comparison and Investment Methods (01.12.2013)
2. Four-Storey Commercial building known as Bangunan AHP, Taman Tun Dr. Ismail Kuala Lumpur	Freehold	24	96,154	21/03/1989	16,323	16,964	33,287	46,000	42,000	4,000	(216)	Comparison and Investment Methods (01.12.2013)
3. Three-Storey shopoffice Jalan Wan Kadir 4 Taman Tun Dr. Ismail Kuala Lumpur	Freehold	15	5,280	16/10/1995	910	-	910	3,000	2,800	200	-	Comparison and Investment Methods (01.12.2013)
4. Ground & First Floor, Blok G Asia City Kota Kinabalu, Sabah	Leasehold (99 years expiring on 31.12.2082)	16	3,100	12/12/1995	1,653	-	1,653	1,500	1,500	-	-	Comparison and Investment Methods (01.12.2013)
5. Four-storey office building known as Sri Impian, Taman Setiawangsa, Kuala Lumpur	Freehold	23	38,290	15/05/1996	13,318	454	13,772	12,000	11,266	734	-	Comparison and Investment Methods (01.12.2013)
6. Four-storey Shopoffice Lot 224, Jalan Negara 2, Pusat Bandar Melawati, Kuala Lumpur	Freehold	23	6,705	30/08/1996	783	31	814	1,200	1,100	100	-	Comparison and Investment Methods (01.12.2013)
7. Four-Storey Shopoffice Jalan Chainferry, Taman Inderawasih Butterworth, Penang	Freehold	15	4,854	12/11/1996	966	-	966	800	800	-	(100)	Comparison and Investment Methods (01.12.2013)
TOTAL					79,862	46,342	126,204	164,500	165,574	(1,074)	2,581	

LIST OF REAL ESTATE DISPOSED AS AT 31 DECEMBER 2013

Description of Real Estate and Location	Purchaser	Date of Disposal	Disposal Price	Market Value	Name of Valuer	Gain/ (loss) on Disposal
1. Four-Storey Shopoffice Off Jalan Rubber Kuching, Sarawak	Tiong Ping & Chiong Ai Lian	10.05.2013	1,000,000	1,000,000	Azmi & Co Sdn. Bhd. (Mohd Azmi bin Ariffin)	-
2. Four-storey shophouse Miri Waterfront, Commercial Centre, Jalan Permaisuri Miri, Sarawak	Then Fook Hing	31.12.2013	1,328,000	950,000	JB Jurnilia Bersekutu Sdn (Sultan Mydin Ibrahim)	378,000

PROPERTY PORTFOLIO (CONTD.)

Tenancy Details as at December 31, 2013

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	190,445	402	1. VADS Berhad 2. YSP Industries (M) Sdn. Bhd. 3. Vacant	82.16 9.20 8.63 ----- 100.00 =====	762,234	8 3 2	2015 2012	2015 2012	3.49
2. Bangunan AHP	96,154	200	1. Hwang-DBS Investment Bank Bhd. 2. Silverlake Innovative Partners Sdn Bhd 3. VADS Berhad 4. PMI Education Sdn. Bhd. 5. Optimax Eye Specialist Centre Sdn. Bhd. 6. Others	28.51 25.69 18.71 9.24 9.09 8.76 ----- 100.00 =====	339,583	3 1 3 3 3	2014 2013 2013 2013 2015	2013 2013 2013 2013 2015	3.59
3. Sri Impian	38,290	-	1. I&P Harta Sdn. Bhd.	100.00	13,098	2	2016	2013	2.30
4. Four (4) Shop premises	19,939	-	1. Amanah Saham Nasional Berhad 2. ARH Jurukur Bahan Sdn. Bhd. 3. Others 4. Vacant	15.55 33.63 26.48 24.34 ----- 100.00 =====	43,813	3 1 2 2.7	2013 2013 2016 2012/2013	2014 2013 2013 2012/2013	2.53
Total	344,828	602	Total Occupied Area Total Vacant Area	94.15 5.85	1,158,728				

ANALYSIS OF UNIT HOLDINGS

Unit holders' Capital as at 31 December 2013

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

Distribution of Unit holders as at 31 December 2013

Unit Class	No. of Unit holders	Percentage of Unit holders	No. of Unit holdings	Percentage of Unit holdings
Less than 100	21	0.31	562	0.00
100 - 1,000	2,771	40.83	2,342,509	2.34
1,001 - 10,000	3,177	46.81	12,802,564	12.80
10,001 - 100,000	749	11.04	22,982,365	22.98
100,001 to less than 5% of issued units	67	0.98	15,800,000	15.81
5% and above of issued units	2	0.03	46,072,000	46.07
Total	6,787	100.00	100,000,000	100.00

Classification of Unit holders as at 31 December 2013

Category of Unit holders	Number of Unit holders			Numbers of Unit holdings			Percentage		
	Malaysian		Foreign	Malaysian		Foreign	Malaysian		Foreign
	Bumi	Non-Bumi		Bumi	Non-Bumi		Bumi	Non-Bumi	
Individuals	2,365	3,832	51	9,064,684	29,373,241	1,906,910	9.07	29.37	1.91
Body Corporate									
a. Banks/Finance Companies	7	-	-	46,102,500	-	-	46.10	-	-
b. Investment Trusts/Foundations	-	3	-	-	502,000	-	-	0.50	-
c. Other Types of Companies	11	31	-	395,900	2,391,100	-	0.40	2.39	-
Government Agencies/Institutions	2	-	-	24,000	-	-	0.02	-	-
Nominees	274	145	66	3,231,765	2,568,000	4,439,900	3.23	2.57	4.44
Total	2,659	4,011	117	58,818,849	34,834,341	6,346,810	58.82	34.83	6.35
	6,787			100,000,000			100.00		

ANALYSIS OF UNIT HOLDINGS (CONTD.)

30 Largest Unit holders as at 31 December 2013

No	Unit holders	Units Held	Percentage of Units in Issue
1.	AmanahRaya Trustees Berhad (Skim Amanah Saham Bumiputera) ⁽¹⁾	41,008,500	41.01
2.	Permodalan Nasional Berhad ⁽²⁾	5,063,500	5.06
3.	Tan Teck Peng	730,000	0.73
4.	Chong Kon Ling	589,300	0.59
5.	Popular Industries Sdn. Berhad	563,300	0.56
6.	Liew Yoon Yee	550,500	0.55
7.	Gan Tuan Boon	500,000	0.50
8.	Public Invest Nominees (Asing) Sdn Bhd (Exempt AN for Phillip Securities Pte. Ltd)	424,000	0.42
9.	Toh Hock Chooi	412,000	0.41
10.	Citigroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tey Rose)	411,000	0.41
11.	Abdul Rahim bin Bidin	402,400	0.40
12.	BOH Plantations Sdn. Bhd	385,000	0.39
13.	BOH Plantations Sdn. Berhad	333,800	0.33
14.	Cimsec Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lim Chen Yik)	325,000	0.33
15.	TA Nominees (Tempatan) Sdn. Berhad (Pledged Securities Account for Chor Sek Choon)	310,000	0.31
16.	Ng Heng Heem	297,200	0.30
17.	Richfund Sdn. Berhad	291,000	0.29
18.	Teuh Chin Heng	290,300	0.29
19.	RAM Holdings Berhad	286,900	0.29
20.	Maybank Nominees (Tempatan) Sdn Bhd (A/C for Ng Hong Tee)	286,300	0.29
21.	Neoh Foundation (1979)	280,000	0.28
22.	Toh Han Ein	280,000	0.28
23.	Liew Kon Mun	270,800	0.27
24.	Yik Poh Chan @ Yek Poh Chan	263,100	0.26
25.	HSBC Nominees (Asing) Sdn Bhd (Exempt an for Pictet & CIE)	260,000	0.26
26.	Lee Chin Yik	258,000	0.26
27.	HDM Nominees (Tempatan) Sdn. Berhad (DBS Vickers Secs (S) Pte. Ltd. For Winston Jong Khi Min)	249,800	0.25
28.	Cimsec Nominees (Asing) Sdn Bhd Exempt AN For CIMB Securities (Singapore) Pte Ltd	242,900	0.24
29.	Premjit Singh a/l Onkar Singh	240,000	0.24
30.	HLB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Liew Sun Yick)	219,600	0.22
Total		56,024,200	56.02

Note:

(1) Substantial unit holder

(2) Related company to the Manager



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AMANA HARTA TANAH PNB

MANAGER'S REPORT ON AMANA HARTA TANAH PNB FOR THE YEAR ENDED 31 DECEMBER 2013

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 2013.

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 2013 is 1% (2012: 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 RM1,581,013 (2012: RM1,561,185) as disclosed in Note 7 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.

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 2013 was RM182,374,544 (2012: RM177,063,537). Details of the investment portfolio of the Trust are as follows:

	2013		2012	
	RM	%	RM	%
At fair value:				
Real estate				
- Commercial and office buildings	164,500,000	90.20	161,150,000	91.01

INVESTMENTS OF THE TRUST (CONTD.)

	2013		2012	
	RM	%	RM	%
At fair value:				
Real estate related-assets				
- Quoted shares by sector				
- Property	25,100	0.01	-	-
- Real Estate Investment Trust	164,250	0.09	219,877	0.12
Non-real estate related-assets				
- Quoted shares by sector				
- Consumer products	124,209	0.07	119,400	0.07
- Finance	629,689	0.34	512,587	0.29
- Infrastructure project	-	-	80,340	0.04
- Plantation	141,300	0.08	153,000	0.09
- Trading	977,800	0.54	913,200	0.52
At amortised cost:				
Deposits with financial institutions, cash and bank balances				
	15,812,196	8.67	13,915,133	7.86
	<u>182,374,544</u>	<u>100.00</u>	<u>177,063,537</u>	<u>100.00</u>

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

PERFORMANCE OF THE TRUST

	2013	2012
Total net asset value (RM)	<u>157,953,990</u>	<u>159,392,782</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>157.95</u>	<u>159.39</u>
Market price per unit (sen)	<u>113.00</u>	<u>110.00</u>
Highest traded price (sen)	<u>127.00</u>	<u>111.00</u>
Lowest traded price (sen)	<u>106.00</u>	<u>103.00</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	5,961,208
Taxation	-
Net income after taxation	<u>5,961,208</u>

During the financial year, the Trust has recorded net income before taxation of RM5,961,208 as compared with RM10,324,159 recorded in the last financial year. For the year ended 31 December 2013, AHP recorded a decrease of RM4,362,951 or 42.26% in income before taxation from the preceding year which is mainly attributed to the unrealised loss on valuation of RM1,065,912 recorded during the year (2012: Unrealised gain of RM2,764,811).

In terms of net rental income, the Trust has recorded a decrease of RM568,481 or 6.20% from RM9,165,683 recorded in previous year. The Trust's total expenditure showed an increase of RM117,979 or 4.96% from RM2,377,530 recorded last financial year.

REVIEW OF THE PROPERTY MARKET

The performance of Malaysia's property market, comprising residential, commercial and Industrial properties, moderated during the first nine months of 2013.

For the purpose-built office (PBO), some 337,319 sq.m. of new space was supplied into the market reflecting an increase of 1.8% from the December 2012 level, slower than the 2.2% rise of 384,372 sq.m. registered in January-September 2012. The decrease was more marked in the supply of shopping complex space which recorded a net increase of only 1.7% or 207,077 sq.m. in the first three quarters of 2013, and sharply lower than the 6.5% or 721,965 sq.m. posted in the corresponding period of the previous year.

On the demand side, 269,504 sq.m. of new space of PBO were taken-up from January-September 2013, an increase of 1.8% from the end-2012 level, and slower than January-September 2012 rise of 2.6% or 379,590 sq.m. The demand for shopping complex space on the other hand decelerated more markedly to grow by 1.8% or 176,409 sq.m. as against a faster rise of 6.1% or 549,782 sq.m. during January-September of 2013 and 2102 respectively.

As the supply and demand of PBO grow at almost the same rate during the first nine months of this year, the national PBO occupancy rate stood at 82.3% as at end-September 2013, a slight improvement from 82.1% at end-June 2013 but a shade lower than the 82.9% level in the same month last year. PBO in Kuala Lumpur had recorded better occupancy rate of 78.8% as at end-September 2013 compared with 78.0% recorded at the end of the previous quarter and marginally higher than 78.5% recorded in the same month of 2012.

REVIEW OF THE PROPERTY MARKET (CONTD.)

As at the end of September 2013, Kuala Lumpur accounted for 39.0% of the total occupied space nationwide. The share of Kuala Lumpur's PBO against the total national PBO had reduced modestly from 40.3% recorded in the same month last year, indicating a faster rise of office supply elsewhere in the country particularly Selangor which significantly registered a higher share of PBO of 16.1% at end- September 2013 compared with 14.3% for the same period in 2012.

Latest available statistics from NAPIC reported that the average rentals of PBO in Kuala Lumpur City Centre/Golden Triangle including areas (such as Jalan Ampang, Jalan Tun Razak and Jalan Pinang) during the second quarter 2013 rose to RM58.3 per sq.m./month (RM5.42 per square foot (psf/month)), increasing at an annualised rate of 9.6%. The rentals of PBO Within City Centre (WCC) which covers areas such as Jalan Bangsar, Wangsa Maju and Mid Valley for the same period rose higher by 12.7% to RM45.9 per sq.m./month (RM4.27 psf/month). On the same note, Suburban areas (including Sri Petaling, Damansara and Cheras) registered a slower annualised growth rental rate of 5.2% to RM41.2 per sq.m. (RM3.83 psf/month) during the second quarter 2013 compared with the same period last year.

PROSPECTS

Going forward, emerging signs of a recovery in the major advanced economies are expected to support the overall global growth. Uncertainties surrounding the fiscal and monetary policy adjustments in these economies, however, may affect market sentiment and overall growth prospects in the global economy. While global policy spillovers may have some impact on Asia, growth will continue to be underpinned by domestic demand.

For the Malaysian economy, the gradual recovery in the external sector will support growth. Domestic demand from the private sector will remain supportive of economic activity amid the continued consolidation of the public sector. The economy is therefore expected to remain on its steady growth trajectory of 5.0% - 5.5%. On account of a further subsidy rationalisation exercise to be undertaken in 2014 to achieve a lower budget deficit of 3.5% of GDP, inflation may likely edge upwards to more than 3.0%.

The property cooling measures announced in the recent National Budget 2014 are expected to have more impact on the residential property subsector rather than commercial and industrial property subsectors. Despite the positive economic outlook, the demand for residential property is anticipated to be affected leading to possible market softening for this segment in 2014 due higher Real Property Gain Tax (RPGT), abolishment of Developer Interest Bearing Scheme (DIBS) and other loan tightening measures imposed by the Bank Negara Malaysia. The demand for commercial property on the other hand is expected to remain stable in tandem with better economic prospects for the year going forward. The demand for PBO, despite concerns on oversupply, is also expected to remain steady due to the spillover effects from the ongoing implementation of Economic Transformation Programme (ETP) which had attracted RM220 billion committed investments in the last three years of implementation.

PROSPECTS (CONTD.)

According to figures from NAPIC, the commercial property subsector is forecast to expand by 10.1% over the next three years (annualised 3.4%). PBO subsector is expected to receive another 2.23 million sq.m. or 12.0% of existing stock within the next three years (annualised 3.0%). A large number of incoming supply of PBO will be in Kuala Lumpur and Selangor. The metropolitan and the state are estimated to receive another 1.26 million sq.m (56.0% of total incoming supply) and 393,284 sq.m. (17.5% of total incoming supply) respectively.

Likewise, the shopping complex and industrial subsectors are estimated to increase 9.5% (annualised 3.2%) and 8.9% (annualised 3.0%) respectively within the next three years. As at September 2013, it was estimated that there will be 1.17 million sq.m. of incoming supply of shopping complex and 8,470 units of incoming supply of industrial units within the next three-year period.

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 2012:

In respect of the financial year ended 31 December 2012:

	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 28 February 2013	3.70	3.70	3,700,000	3,700,000

In respect of financial year ended 31 December 2013:

	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 2013	3.70	3.70	3,700,000	3,700,000

DISTRIBUTION OF INCOME (CONTD.)

For the financial year ended 31 December 2013, 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 2014, was declared by the Manager and approved by the Trustee on 29 January 2014. 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 2014. 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 unit holders.

The effect of the final income distributions in terms of the net asset value per unit attributable to unit holders as at 31 December 2013:

	Before distribution sen	After distribution sen
Net asset value per unit attributable to unit holders	<u>157.95</u>	<u>154.25</u>

BREAKDOWN OF UNITHOLDINGS

Unit Class	Number of Unitholders	Percentage of Unit holders (%)	Number of Unitholdings	Percentage of Unitholdings (%)
5,000 and below	5,354	78.89	9,921,435	9.92
5,001 to 10,000	615	9.06	5,224,200	5.22
10,001 to 50,000	649	9.56	15,383,600	15.38
50,001 to 500,000	163	2.40	20,965,365	20.97
500,001 and above	6	0.09	48,505,400	48.51
	<u>6,787</u>	<u>100.00</u>	<u>100,000,000</u>	<u>100.00</u>

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 Abdul Jamil
Dato' Seri Abd. Wahab bin Maskan
Dato' Idris bin Kechot

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 directors' shareholdings, the directors of the Manager who were in office as at 31 December 2013 and have interests in the Trust during the financial year are as follows:

	Number of Units			31 December 2013
	1 January 2013	Bought	Sold	
Dato' Seri Mohd. Hussaini bin 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:
- (i) 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
 - (ii) 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.

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.

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 2014.

TUN AHMAD SARJI
BIN ABDUL HAMID

TAN SRI DATO' SRI HAMAD KAMA PIAH
BIN CHE OTHMAN

Kuala Lumpur, Malaysia

AMANAHA HARTA TANAH PNB

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 38 to 81 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 AMANAHA HARTA TANAH PNB as at 31 December 2013 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 2014.

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 AMANAHA HARTA TANAH PNB, do solemnly and sincerely declare that the accompanying financial statements set out on pages 38 to 81 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 2014

DATO' MOHD NIZAM BIN ZAINORDIN

Before me,

Commissioner for Oaths,
Kuala Lumpur, Malaysia

AMANA HARTA TANAH PNB

TRUSTEE'S REPORT

For the Financial Year Ended 31 December

To the Unit holders of
AMANA HARTA TANAH PNB

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of AMANA HARTA TANAH PNB for the financial year ended 31 December 2013. In our opinion, PELABURAN HARTANAH NASIONAL BERHAD, the Manager, has managed AMANA 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 AMANA 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 AMANA HARTA TANAH PNB as declared by the Manager is in accordance with the investment objective of AMANA HARTA TANAH PNB.

Yours faithfully
AMANA RAYA TRUSTEES BERHAD

HABSAH BINTI BAKAR
Chief Executive Officer

Kuala Lumpur, Malaysia
29 January 2014



**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 2013, 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 38 to 81.

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

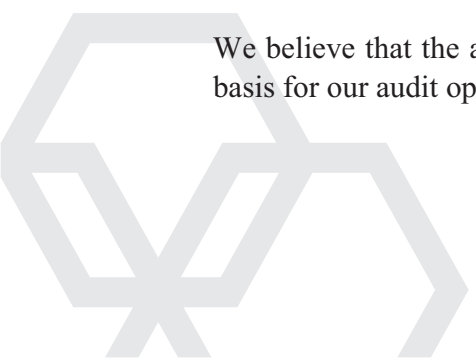
The Manager of the Trust is responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and the Securities Commission's Guidelines on Real Estate Investment Trusts, and for such internal control as the Manager determines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





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

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 2013, and of its financial performance, changes in equity and cash flows for the year then ended.

Other matters

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

Kuala Lumpur, Malaysia
29 January 2014

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



AMANA HARTA TANAH PNB**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 RM	2012 RM
INCOME			
Gross rental income	5	13,962,423	14,403,463
Less: Real estate operating expenditure	6	(5,361,185)	(5,234,927)
Depreciation		(4,036)	(2,853)
Net rental income		8,597,202	9,165,683
Interest income from deposits with financial institutions		417,013	360,057
Gross dividends from investments in:			
- Real estate-related assets		11,546	5,282
- Non-real estate-related assets		83,059	75,054
Unrealised (loss)/gain on valuation of real estates	13	(1,074,877)	2,580,327
Gain on disposals of real estate		378,000	300,000
Net gain/(loss) from financial assets at fair value through profit and loss ("FVTPL"):			
- Real estate-related assets	14	(18,823)	(1,157)
- Non-real estate-related assets	15	60,299	216,091
Miscellaneous income		3,298	352
		8,456,717	12,701,689
EXPENSES			
Management fee	7	(1,581,013)	(1,561,185)
Trustee's fee	8	(130,000)	(130,000)
Auditors' remuneration		(13,500)	(13,500)
Tax agent's fee		-	(3,800)
Valuation fee		(5,300)	(26,150)
Printing, postage and general expenses		(97,322)	(85,176)
Financing costs	9	(655,389)	(497,311)
Allowance for impairment of trade receivables	19	(12,985)	(60,408)
		(2,495,509)	(2,377,530)
NET INCOME BEFORE TAXATION		5,961,208	10,324,159
TAXATION	10	-	-
NET INCOME AFTER TAXATION		5,961,208	10,324,159
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		5,961,208	10,324,159

AMANAH HARTA TANAH PNB

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTD.)**

	Note	2013 RM	2012 RM
NET INCOME AFTER TAXATION IS MADE UP OF THE FOLLOWING:			
Realised		7,027,120	7,559,348
Unrealised		(1,065,912)	2,764,811
		<u>5,961,208</u>	<u>10,324,159</u>
EARNINGS PER UNIT	11	<u>5.96 sen</u>	<u>10.32 sen</u>
EARNINGS PER UNIT (BEFORE MANAGEMENT FEE)			
- Gross of tax		<u>7.54 sen</u>	<u>11.89 sen</u>
- Net of tax		<u>7.54 sen</u>	<u>11.89 sen</u>
NET INCOME DISTRIBUTION	12		
Interim income distribution of 3.70 sen per unit paid on 30 August 2013 (2012: 3.70 sen per unit paid on 30 August 2012)		<u>3,700,000</u>	<u>3,700,000</u>
Final income distribution of 3.70 sen per unit payable on 28 February 2014 (2012: 3.70 sen per unit paid on 28 February 2013)		<u>3,700,000 *</u>	<u>3,700,000</u>
FINAL INCOME DISTRIBUTION PER UNIT	12		
- Gross of tax		<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	12		
- Gross of tax		<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 2013.

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

AMANAH HARTA TANAH PNB**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	Note	31.12.2013 RM	31.12.2012 RM
INVESTMENTS			
Real estate	13	164,500,000	161,150,000
Real estate-related assets	14	189,350	219,877
Non-real estate-related assets	15	1,872,998	1,778,527
Deposits with financial institutions	16	15,779,317	13,812,534
TOTAL INVESTMENTS		182,341,665	176,960,938
OTHER ASSETS			
Equipment, furniture and fittings	17	22,262	10,513
Tax recoverable	18	668,254	665,747
Trade receivables	19	716,671	486,371
Other receivables	20	185,371	339,862
Cash and bank balances	21	32,879	102,599
TOTAL OTHER ASSETS		1,625,437	1,605,092
TOTAL ASSETS		183,967,102	178,566,030
LIABILITIES			
Financing	22	20,767,076	14,389,641
Rental deposits	23	4,325,636	3,874,405
Other payables	24	785,876	774,132
Amount due to Manager	25	134,524	135,070
TOTAL LIABILITIES		26,013,112	19,173,248
FINANCED BY:			
UNIT HOLDERS' FUNDS			
Unit holders' capital		100,000,000	100,000,000
Retained earnings		57,953,990	59,392,782
TOTAL NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS	26	157,953,990	159,392,782
TOTAL UNIT HOLDERS' FUNDS AND LIABILITIES		183,967,102	178,566,030
NUMBER OF UNITS IN CIRCULATION		100,000,000	100,000,000
NET ASSET VALUE ("NAV")		157,953,990	159,392,782
NAV (EX-DISTRIBUTION) PER UNIT	28	1.5795	1.5939

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

AMANAH HARTA TANAH PNB

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Unit holders' Capital RM	<----- Retained Earnings ----->		Total Equity RM
			Distributable Realised Income RM	Distributable Unrealised Gain RM	
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:	12				
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>
At 1 January 2013		100,000,000	19,493,584	39,899,198	159,392,782
Transfer to realised income		-	148,374	(148,374)	-
Total comprehensive income for the year		-	7,027,120	(1,065,912)	5,961,208
Income distribution:	12				
Final distribution					
- 31 December 2012		-	(3,700,000)	-	(3,700,000)
Interim distribution					
- 31 December 2013		-	(3,700,000)	-	(3,700,000)
At 31 December 2013		<u>100,000,000</u>	<u>19,269,078</u>	<u>38,684,912</u>	<u>157,953,990</u>

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

AMANA HARTA TANAH PNB

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

	31.12.2013 RM	31.12.2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before taxation	5,961,208	10,324,159
Adjustments for:		
Depreciation	4,036	2,853
Allowance for impairment of trade receivables	12,985	60,408
Unrealised gain on valuation of real estate	1,074,877	(2,580,327)
Net gain/(loss) from financial assets at fair value through profit and loss ("FVTPL"):		
- Real estate-related assets	18,823	1,157
- Non-real estate-related assets	(60,299)	(216,091)
Gain on disposals of real estates	(378,000)	(300,000)
Interest income from deposit with financial institutions	(417,013)	(360,057)
Gross dividends from investments in:		
- Real estate-related assets	(11,546)	(5,282)
- Non-real estate-related assets	(83,059)	(75,054)
Financing costs	655,389	497,311
Operating profit before working capital changes	6,777,401	7,349,077
Increase in tax recoverable	(2,507)	(9,122)
Increase in receivables	(262,269)	(37,285)
Increase in other payables	123,284	77,698
Increase/(decrease) in rental deposits	451,231	(328,241)
(Decrease)/increase in amount due to the Manager	(546)	1,198
Net cash generated from operating activities	7,086,594	7,053,325

CASH FLOWS FROM INVESTING ACTIVITIES

Investments in real estate	(6,374,877)	(4,319,673)
Proceeds from disposal of:		
- Real estate	2,328,000	3,785,352
- Real estate-related assets	39,000	35,821
- Non-real estate-related assets	246,552	308,942
Purchase of fixed assets	(15,785)	(880)
Purchase of real/non-real estate related-assets		
- Real estate-related assets	(2,196)	(128,565)
- Non-real estate-related assets	(306,150)	(185,971)
Interest received	404,566	359,405

AMANA HARTA TANAH PNB

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTD.)**

	31.12.2013	31.12.2012
	RM	RM
Dividends received from investments in:		
- Real estate-related assets	11,546	5,282
- Non-real estate-related assets	73,707	74,572
Net cash used in investing activities	<u>(3,595,637)</u>	<u>(65,715)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown from revolving credit facility	6,377,435	4,740,545
Financing costs paid	(571,329)	(483,959)
Payment of income distributions	(7,400,000)	(7,400,000)
Net cash (used in)/generated from financing activities	<u>(1,593,894)</u>	<u>(3,143,414)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,897,063	3,844,196
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>13,915,133</u>	<u>10,070,937</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>15,812,196</u>	<u>13,915,133</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	32,879	102,599
Deposits with financial institutions (Note 16)	15,779,317	13,812,534
	<u>15,812,196</u>	<u>13,915,133</u>

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

AMANAH HARTA TANAH PNB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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 2014.

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. MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS")

The financial statements of the Trust for the year ended 31 December 2013, have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS").

Early adoption of MFRS 9 Financial Instruments : Classification and Measurement

Since the prior financial year, the Trust has applied MFRS 9 Financial Instruments ("MFRS 9") (as issued in November 2009 and revised in October 2010) and the related consequential amendments in advance of their effective dates. The date of initial application (i.e the date on which the Trust has assessed its existing financial assets and financial liabilities) is 1 January 2011.

Financial assets

MFRS 9 introduces new classification and measurements requirement for financial assets that are within the scope of MFRS 139 Financial Instruments: Recognition and Measurement. Specifically, MFRS 9 requires all financial assets to be classified and subsequently measured at either amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flows characteristic of the financial assets.

As required by MFRS 9, debt instruments are measured at amortised cost only if (i) the assets is held within a business model whose objectives is to hold assets in order to collect contractual cash flows and (ii) the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest of the principal amounts outstanding. If either of the two criteria is not met, the debt instruments are classified as at fair value through profit or loss ("FVTPL").

However, the Trust may choose at initial recognition to designate a debt instrument that meets the amortised cost criteria as at FVTPL if in doing so eliminates or significantly reduces an accounting mismatch.

Equity instruments are classified either FVTPL or fair value through other comprehensive income ("FVTOCI"), depending on the investment objectives.

As at 1 January 2011, the directors of the Manager have reviewed and assessed the Trust's existing financial assets. The initial application of MFRS 9 has no material impact on the financial statement of the Trust as its investments in quoted equity securities continue to be classified as FVTPL.

3. MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") (CONTD.)

Financial liabilities

MFRS 9 also contains requirement for classifications and measurement of financial liabilities. One major change in the classifications and measurement of financial liabilities relates to accounting for changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability.

This change in accounting policy arising from early adoption of MFRS 9 has no material impact on the financial statements of the Trust.

Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following Standards, Amendments and Issues Committee ("IC") Interpretations have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Fund.

Effective for financial period beginning on or after 1 January 2014

Amendments to MFRS 132 *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*

Amendments to MFRS 10, MFRS 12 and MFRS 127 *Investment Entities* *

* These MFRS, Amendments and IC Interpretations are not relevant to the Fund.

The Fund plans to adopt the other pronouncements above when they become effective in the respective financial periods. These pronouncements are expected to have no significant impact to the financial statements of the Fund upon their initial application except as described below:

MFRS 13 Fair Value Measurement

MFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS. MFRS 13 defines fair value as an exit price. The adoption of MFRS 13 did not give rise to any effects on the Trust's statement of financial position, performance and cash flows.

4. 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.

(b) 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(b) Financial Assets (Contd.)

(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.

(c) 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(d) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Trust are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

The Trust derecognised financial liabilities when, and only when, the Trust's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) 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 4(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.

(f) 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(l) 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.

(m) 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.

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.

(n) 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 13 – fair value of real estate.

5. GROSS RENTAL INCOME

Gross rental income of the Trust consists of the following:

	31.12.2013	31.12.2012
	RM	RM
Rental income	13,760,823	14,143,705
Other real estate income	201,600	259,758
	<u>13,962,423</u>	<u>14,403,463</u>

Included in the rental income is an amount of RM519,284 (2012: RM569,251) received from companies related to the Manager as disclosed in Note 30.

6. REAL ESTATE OPERATING EXPENDITURE

Included in the amounts are the following:

	31.12.2013	31.12.2012
	RM	RM
Maintenance, repairs and improvements expenses	1,200,020	951,380
Assessment	879,904	888,293
Quit rent	55,413	56,544
Utilities	2,240,790	2,180,109
Others	858,004	1,025,768
Property Manager's fee*	127,054	132,833
	<u>5,361,185</u>	<u>5,234,927</u>

* The Property Manager, I.M Global Building Services Sdn Bhd ("IMG"), 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.

7. 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 2013 is 1% (2012: 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.

8. 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 2013 is RM130,000 (2012: RM130,000).

9. FINANCING COSTS

	31.12.2013 RM	31.12.2012 RM
Profit due on Islamic Revolving Credit Facility	<u>655,389</u>	<u>497,311</u>

10. TAXATION

	31.12.2013 RM	31.12.2012 RM
Tax expense for the year	<u>-</u>	<u>-</u>

Pursuant to Section 61A(1) of Income Tax Act, 1967 under the Finance Act 2006, where in the basis period for a year of assessment, 90% or more of the total income of the Trust is distributed to its unit holders, the total income of the Trust for that year of assessment shall be exempted from tax.

As the trust distributes at least 90% of the distributable income, its total income for the financial year is exempted from tax.

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:

	31.12.2013 RM	31.12.2012 RM
Net income before taxation	<u>5,961,208</u>	<u>10,324,159</u>
Taxation at Malaysia statutory tax rate of 25%	1,490,302	2,581,040
Effect of income not subject to tax	35,121	(863,830)
Effect of expenses not deductible for tax purposes	57,025	65,806
Effect of income distribution exempted from tax at Trust level	(1,574,935)	(1,743,765)
Utilisation of current year capital allowances	<u>(7,513)</u>	<u>(39,251)</u>
Tax expense for the year	<u>-</u>	<u>-</u>

11. EARNINGS PER UNIT

The earnings per unit for the year has been calculated by dividing the net income after taxation for the year of RM5,961,208 (2012: RM10,324,159) by the number of units in circulation as at the statement of financial position date of 100,000,000 (2012: 100,000,000).

12. INCOME DISTRIBUTION

	31.12.2013		31.12.2012	
	Gross RM	Net RM	Gross RM	Net RM
Interim income distribution of 3.70 sen per unit paid on 30 August 2013 (2012: 3.70 sen per unit paid on 30 August 2012)	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 2014 (2012: 3.70 sen per unit paid on 28 February 2013)	<u>3,700,000 *</u>	<u>3,700,000 *</u>	<u>3,700,000</u>	<u>3,700,000</u>
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 2013, 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 2014, was declared by the Manager and approved by the Trustee on 29 January 2014. 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 2014.

12. INCOME DISTRIBUTION (CONTD.)

Sources of Distribution

Distribution to unitholders is from the following sources:

	31.12.2013	31.12.2012
	RM	RM
Net rental income	8,597,202	9,165,683
Gross dividends from investments in:		
- Real estate-related assets	11,546	5,282
- Non-real estate-related assets	83,059	75,054
Interest income from deposits with financial institutions	417,013	360,057
Gain on disposals of real estate	378,000	171,454
Gain on disposal of real estate/ non-real estate related asset	32,511	-
Other income	3,298	-
Retained earnings	372,880	-
	<u>9,895,509</u>	<u>9,777,530</u>
Less: Expenses	<u>(2,495,509)</u>	<u>(2,377,530)</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>

13. REAL ESTATE

	31.12.2013	31.12.2012
	RM	RM
At 1 January	161,150,000	157,800,000
Upgrading and renovation costs	6,374,877	4,319,673
Disposals	(1,950,000)	(3,550,000)
Fair value adjustment	(1,074,877)	2,580,327
At 31 December	<u>164,500,000</u>	<u>161,150,000</u>

The following real estates are held under lease terms:

	31.12.2013	31.12.2012
	RM	RM
Leasehold land and buildings (at fair value)	<u>1,500,000</u>	<u>3,450,000</u>

13. REAL ESTATE (CONTD.)

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	74,802,445	100,000,000
Bangunan AHP, Taman Tun Dr. Ismail, Kuala Lumpur	Freehold	21/03/1989	33,287,292	46,000,000
Sri Impian, Taman Setiawangsa, Kuala Lumpur	Freehold	15/05/1996	13,771,846	12,000,000
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	3,000,000

13. 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	1,200,000
			126,204,171	164,500,000

* Fair values as at 31 December 2013 based on valuation dated 1 December 2013 (except for strata shop office in Butterworth on 25 October 2013) by independent firms of professional valuers by using the comparison and investment method of valuation in accordance with the Malaysian Valuation Standards. Further details of the valuation method is provided in note 35.

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.	Jurunilai Bersekutu Sdn. Bhd.	Sr. Sultan Mydin Ibrahim BSc. (London) in Land Administration Master in Business Administration Cardiff Business Schools Wales, United Kingdom M.R.I.C.S., A.R.V.A., M.I.S. (M), A.P.E.P.S Registered Valuer - V258
Three storey shop house, Taman Tun Dr. Ismail, Kuala Lumpur.		
Strata shop office, Asia City, Kota Kinabalu, Sabah.		

13. REAL ESTATE (CONTD.)

The details of the valuers are as follows: (Contd.)

Real Estate	Name of Firm	Name of Valuer and Qualification
Four storey shop office, Pusat Bandar Melawati, Kuala Lumpur. Sri Impian, Taman Setiawangsa, Kuala Lumpur.	Azmi & Co Sdn. Bhd.	Chandra Mohan Krishnan BSc. (Hons) in Estate Management Heriot Watt University Edinburgh, United Kingdom Master in Business Administration Universiti Sains Malaysia M.R.I.C.S., M.I.S.M., A.P.E.P.S. Registered Valuer - V357
Strata shop office, Jalan Chainferry, Butterworth, Penang.		

14. REAL ESTATE-RELATED ASSETS

	31.12.2013	31.12.2012
	RM	RM
Quoted shares, at FVTPL	<u>189,350</u>	<u>219,877</u>
Net (loss)/gain on real estate-related assets at FVTPL during the year comprised:		
Realised gain on disposals	1,500	3,506
Unrealised changes in fair values	<u>(20,323)</u>	<u>(4,663)</u>
	<u>(18,823)</u>	<u>(1,157)</u>

14. REAL ESTATE-RELATED ASSETS (CONTD.)

Quoted Shares	Units	Cost RM	Fair Value RM	Percentage of Fair Value Over Net Asset Value
				%
- Real Estate Investment				
Trusts	56,058	125,597	164,250	0.10
- Property	10,000	25,100	25,100	0.02
	<u>66,058</u>	<u>150,697</u>	<u>189,350</u>	<u>0.12</u>

15. NON-REAL ESTATE-RELATED ASSETS

	31.12.2013 RM	31.12.2012 RM
Quoted shares, at FVTPL	<u>1,872,998</u>	<u>1,778,527</u>
Net gain on real estate-related assets at FVTPL during the year comprised:		
Realised gain on disposals	31,011	26,944
Unrealised changes in fair values	29,288	189,147
	<u>60,299</u>	<u>216,091</u>

Quoted Shares	Units	Cost RM	Fair Value RM	Percentage of Fair Value Over Net Asset Value
				%
- Consumer products	10,900	65,845	124,209	0.08
- Finance	63,349	512,164	629,689	0.40
- Plantation	30,000	138,881	141,300	0.09
- Trading	109,300	833,548	977,800	0.62
	<u>213,549</u>	<u>1,550,438</u>	<u>1,872,998</u>	<u>1.19</u>

16. DEPOSITS WITH FINANCIAL INSTITUTIONS

	31.12.2013	31.12.2012
	RM	RM
Fixed deposits	4,206,729	3,085,578
Short term deposits	5,448,226	10,726,956
Al Mudharabah deposits	6,124,362	-
	<u>15,779,317</u>	<u>13,812,534</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:

	31.12.2013		31.12.2012	
	WAEIPR	Average	WAEIPR	Average
	(% p.a)	Maturity	(% p.a.)	Maturity
		(Days)		(Days)
Licensed banks	<u>3.37</u>	<u>33</u>	<u>3.14</u>	<u>48</u>

Included in the deposits are the amount of RM362,421 (31.12.2012: RM806,057; 1.01.2012: RM366,161) placed with Malayan Banking Berhad ("MBB"), a licensed bank related to the Manager.

17. EQUIPMENT, FURNITURE AND FITTINGS

	Equipment RM	Furniture and Fittings RM	Computer Equipment RM	Total RM
Cost				
At 1 January 2012	53,498	54,745	24,301	132,544
Additions	880	-	-	880
At 31 December 2012	54,378	54,745	24,301	133,424
Additions	15,785	-	-	15,785
At 31 December 2013	70,163	54,745	24,301	149,209
Accumulated Depreciation				
At 1 January 2012	47,017	53,791	19,250	120,058
Charge for the year	781	198	1,874	2,853
At 31 December 2012	47,798	53,989	21,124	122,911
Charge for the year	1,964	198	1,874	4,036
At 31 December 2013	49,762	54,187	22,998	126,947
Net Book Value				
At 31 December 2013	20,401	558	1,303	22,262
At 31 December 2012	6,580	756	3,177	10,513
At 1 January 2012	6,481	954	5,051	12,486
Depreciation charge for 2013	1,964	198	1,874	4,036
Depreciation charge for 2012	781	198	1,874	2,853

Included in equipment, furniture and fittings of the Trust are RM119,171 (31.12.2012: RM117,791) of cost of fully depreciated assets which are still in use.

18. 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.

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.

19. TRADE RECEIVABLES

	31.12.2013	31.12.2012
	RM	RM
Trade receivables	889,091	645,806
Less: Allowance for impairment	<u>(172,420)</u>	<u>(159,435)</u>
Trade receivables, net	<u>716,671</u>	<u>486,371</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.

19. TRADE RECEIVABLES (CONTD.)

Ageing analysis of trade receivables

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

	31.12.2013	31.12.2012
	RM	RM
Neither past due nor impaired	263,768	162,182
31 to 60 days past due not impaired	225,631	46,513
61 to 90 days past due not impaired	63,961	15,608
91 to 120 days past due not impaired	64,861	2,148
More than 121 days past due not impaired	98,450	259,920
	<u>716,671</u>	<u>486,371</u>
Impaired	172,420	159,435
	<u>889,091</u>	<u>645,806</u>

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

	31.12.2013	31.12.2012
	RM	RM
Trade receivables	172,420	159,435
Less: Allowance for impairment	<u>(172,420)</u>	<u>(159,435)</u>
	<u>-</u>	<u>-</u>

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

	31.12.2013	31.12.2012
	RM	RM
At 1 January	159,435	99,027
Charge for the year	14,520	60,408
Recoverable of impairment	<u>(1,535)</u>	<u>-</u>
At 31 December	<u>172,420</u>	<u>159,435</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.

19. TRADE RECEIVABLES (CONTD.)

Receivables that are past due but not impaired

The Trust has trade receivables amounting to RM452,903 (31.12.2012: RM324,189) that are past due at the reporting date. The remaining receivables that are past due but not impaired are expected to be collected in the next 12 months.

20. OTHER RECEIVABLES

	31.12.2013 RM	31.12.2012 RM
Dividends	10,800	1,448
Interest income	26,335	13,888
Deposits	88,206	120,206
Prepayments	60,030	204,320
	<u>185,371</u>	<u>339,862</u>

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

21. CASH AND BANK BALANCES

Included in the cash and bank balances is an amount of RM10,191 (31.12.2012: RM13,731) placed with MBB, a licensed bank related to the Manager.

22. FINANCING

The financing bears profit rate of 3.95% to 3.97% (31.12.2012: 3.97% to 4.05%) per annum.

As at 31 December 2013, a total of four drawdowns have been made totaling RM20,767,076 (31.12.2012: RM14,389,641). The details of the drawdowns is as follows:

	Maturity Date	Amount RM
Drawdown no. 1	14 April 2014	933,689
Drawdown no. 2	8 May 2014	2,496,928
Drawdown no. 3	19 February 2014	6,218,479
Drawdown no. 4	3 June 2014	4,740,545
Drawdown no. 5	28 February 2014	6,377,435
Total		<u>20,767,076</u>

23. RENTAL DEPOSITS

	31.12.2013	31.12.2012
	RM	RM
Payable within 12 months	1,412,915	1,327,172
Payable after 12 months	2,912,721	2,547,233
	<u>4,325,636</u>	<u>3,874,405</u>

Included in the rental deposit is an amount of RM174,421 (31.12.2011: RM170,913) received from companies related to the Manager as disclosed in Note 30.

24. OTHER PAYABLES

	31.12.2013	31.12.2012
	RM	RM
Accruals for real estate operating expenditure	21,291	157,212
Rental received in advance	291,602	193,280
Financing costs payable	212,324	128,264
Sundry payables	260,659	295,376
	<u>785,876</u>	<u>774,132</u>

25. AMOUNT DUE TO MANAGER

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

26. TOTAL NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS

The components of total net asset value attributable to unitholders of the Trust as at the statement of financial position date are as follows:

	Note	31.12.2013 RM	31.12.2012 RM
Units in circulation	27	100,000,000	100,000,000
Retained earnings		57,953,990	59,392,782
		<u>157,953,990</u>	<u>159,392,782</u>

Retained earnings is made up of the following:

Net realised distributable income	19,269,078	19,493,584
Net unrealised non-distributable income	38,684,912	39,899,198
	<u>57,953,990</u>	<u>59,392,782</u>

27. UNITS IN CIRCULATION

	Number of Units	
	31.12.2013	31.12.2012
Authorised:		
At end of year	<u>1,000,000,000</u>	<u>1,000,000,000</u>

	Number of Units	
	31.12.2013	31.12.2012
Issued and fully paid:		
At end of year	<u>100,000,000</u>	<u>100,000,000</u>

	Amount	
	31.12.2013 RM	31.12.2012 RM
Issued and fully paid:		
At end of year	<u>100,000,000</u>	<u>100,000,000</u>

As at 31 December 2013, the Manager did not hold any unit in the Trust. However, PNB held 5,063,500 (31.12.2012: 5,063,500) units, representing approximately 5.06% (31.12.2012: 5.06%) of the total units in issue. Based on market price as at 31 December 2013 of RM1.13 (31.12.2012: RM1.10) per unit, the value of units held by PNB was RM5,721,755 (31.12.2012: RM5,569,850).

28. NET ASSET VALUE PER UNIT

	31.12.2013 RM	31.12.2012 RM
Net asset value attributable to unit holders (RM)	<u>157,953,990</u>	<u>159,392,782</u>
Number of units issued	<u>100,000,000</u>	<u>100,000,000</u>
Net assets value per unit (sen)	<u>157.95</u>	<u>159.39</u>

29. 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 %
HwangDBS Investment Bank Berhad	90,552	16.02	181	36.42
Maybank Investment Bank Bhd. *	474,701	83.98	316	63.58
	<u>565,253</u>	<u>100.00</u>	<u>497</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.

30. RELATED PARTY DISCLOSURES

	2013	2012
	RM	RM
Amanah Saham Nasional Berhad ("ASNB"), a wholly-owned subsidiary of PNB		
- Rental income received	236,000	308,000
- Rental deposits received	98,600	98,600
MBB, a substantial shareholder of the Manager		
- Rental income received	283,284	261,251
- Interest income from deposit placement	28,375	31,248
- Rental deposits received	75,821	72,313

31. PORTFOLIO TURNOVER RATIO

	2013	2012
Portfolio Turnover Ratio ("PTR")	<u>0.87 times</u>	<u>0.81 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.

32. MANAGEMENT EXPENSE RATIO

	2013	2012
Management Expense Ratio ("MER")	<u>1.16%</u>	<u>1.47%</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.

33. SEGMENTAL REPORTING

Geographical information

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

34. 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 4(b), 4(c) and 4(d) 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 2013 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
31.12.2013				
Assets				
Quoted equity investments	2,062,348	-	-	2,062,348
Deposits with financial institution	-	15,779,317	-	15,779,317
Trade receivables	-	716,671	-	716,671
Other receivables	-	185,371	-	185,371
Cash and bank balances	-	32,879	-	32,879
Total financial assets	<u>2,062,348</u>	<u>16,714,238</u>	<u>-</u>	<u>18,776,586</u>
Liabilities				
Revolving credit facility	-	-	20,767,076	20,767,076
Rental deposits	-	-	4,325,636	4,325,636
Other payables	-	-	785,876	785,876
Amount due to Manager	-	-	134,524	134,524
Total financial liabilities	<u>-</u>	<u>-</u>	<u>26,013,112</u>	<u>26,013,112</u>
Income				
Realised gain on disposal of investments	32,511	-	-	32,511
Unrealised gain on valuation of investments	8,965	-	-	8,965
Dividends	94,605	-	-	94,605
Interest income	-	417,013	-	417,013
Financing costs	-	-	(655,389)	(655,389)

34. 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
31.12.2012				
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	<u>1,998,404</u>	<u>14,741,365</u>	-	<u>16,739,769</u>
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
Total financial liabilities	-	-	<u>19,173,246</u>	<u>19,173,246</u>
Income				
Realised loss 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)

35. FAIR VALUE HIERARCHY

Fair value information

Fair value of real estates are categorised as follows:

2013	Level 1	Level 2	Level 3	Total
Quoted equity securities	2,062,348	-	-	2,062,348
Real estates	-	-	164,500,000	164,500,000
	<u>2,062,348</u>	<u>-</u>	<u>164,500,000</u>	<u>166,562,348</u>

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical real estates that the entity can assess at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment property, either directly or indirectly.

Level 2 fair value of land has been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Transfer between Level 1 and 2 fair values

There is no transfer between Level 1 and 2 fair values during the financial year.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the real estates.

35. FAIR VALUE HIERARCHY (CONTD.)

Level 3 fair value (contd.)

The following table shows a reconciliation of Level 3 fair values:

	2013
	RM'000
At 1 January 2013	161,150,000
Upgrading and renovation costs	6,374,877
Disposals	(1,950,000)
Fair value adjustment	(1,074,877)
At 31 December 2013	<u>164,500,000</u>

The fair value of investment properties is determined by independent professional valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent professional valuers provide the fair value of the Group's investment properties portfolio annually. Changes in Level 3 fair values are analysed by the management annually after obtaining valuation report from the valuation companies.

The fair value of investment property is determined using the comparison and investment method which 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.

36. 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.

36. 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.

36. 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 reporting period.

	Sensitivity of other Changes in basis points *	Sensitivity of interest income and profit Increase/ (decrease) RM
2013		
Deposit with financial institution	+50 /-50	78,897/ (78,897)
Financing	+50 /-50	103,835/ (103,835)
2012		
Deposit with financial institution	+50 /-50	69,063/ (69,063)
Deposit with financial institution	+50 /-50	71,948/ (71,948)

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

36. 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 * %
31.12.2013				
Assets:				
Financial assets held at FVTPL	-	-	2,062,348	-
Deposits with financial institutions	15,779,317		-	3.37
Other assets	-	-	935,921	-
Total assets	<u>15,779,317</u>	<u>-</u>	<u>2,998,269</u>	
Liabilities:				
Financing	-	20,767,076	-	3.95
Other liabilities	-	-	5,192,414	-
Total liabilities	<u>-</u>	<u>20,767,076</u>	<u>5,192,414</u>	
Total interest sensitivity gap	<u>15,779,317</u>	<u>(20,767,076)</u>	<u>(2,194,145)</u>	

* Computed based on interest-bearing assets only

36. 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	Non-interest bearing RM	Effective Interest rate * %
31.12.2012				
Assets:				
Financial assets held at FVTPL	-	-	1,998,404	-
Deposits with financial institutions	13,812,534	-	-	3.15
Other assets	-	-	927,348	-
Total assets	<u>13,812,534</u>	<u>-</u>	<u>2,925,752</u>	
Liabilities:				
Financing	-	14,389,641	-	3.97
Other liabilities	-	-	4,591,663	-
Total liabilities	<u>-</u>	<u>14,389,641</u>	<u>4,591,663</u>	
Total interest sensitivity gap	<u>13,812,534</u>	<u>(14,389,641)</u>	<u>(1,665,911)</u>	

* Computed based on interest-bearing assets only

36. 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
2013		
FTSE Bursa Malaysia KLCI	+10 /-10	206,235 / (206,235)
2012		
FTSE Bursa Malaysia KLCI	+10 /-10	199,840 / (199,840)

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 14 and 15.

36. 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 Trust'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 19.

(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 Trust 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.

36. 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
31.12.2013				
Financial assets:				
Financial assets held at FVTPL	2,062,348	-	-	2,062,348
Deposits with financial institutions	15,557,181	222,136	-	15,779,317
Other assets	786,685	149,236	-	935,921
Total undiscounted financial assets	18,406,214	371,372	-	18,777,586
Financial liabilities:				
Financing	-	-	20,979,400	20,979,400
Other liabilities	4,980,090	-	-	4,980,090
Total undiscounted financial liabilities	4,980,090	-	20,979,400	25,959,490
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	16,041,351	697,935	-	16,739,286
Financial liabilities:				
Financing	-	-	14,517,905	14,517,905
Other liabilities	4,463,399	-	-	4,463,399
Total undiscounted financial liabilities	4,463,399	-	14,517,905	18,981,304

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

(h) Liquidity Risk (Contd.)

(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.

37. 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.
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?*”).

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.
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.



AMANAH HARTA TANAH PNB NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2nd Annual General Meeting of Amanah Harta Tanah PNB (“AHP”) will be held at the Theatre, Level 2 of Menara PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur on Wednesday, 26 March 2014 at 3.00 p.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To lay before the Meeting the Audited Financial Statements of AHP for the year ended 31 December 2013 together with the Auditors’ Report issued by Messrs. Hanafiah Raslan & Mohamad. **For Discussion Only**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modification, the following Ordinary Resolution:

2. **PROPOSED AUTHORITY TO ALLOT AND ISSUE NEW UNITS PURSUANT TO CLAUSE 14.03 OF THE SECURITIES COMMISSION MALAYSIA’S GUIDELINES ON REAL ESTATE INVESTMENT TRUSTS (“REITS GUIDELINES”)** **Ordinary Resolution 1**

“**THAT** pursuant to the REITs Guidelines, Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approval of any relevant regulatory authorities, where such approval is required, approval be and is hereby given to the Directors of the Manager to allot and issue new units in AHP (“Units”) from time to time to such persons and for such purposes as the Directors of the Manager may deem fit provided that the number of new Units to be allotted and issued, when aggregated with the number of units issued during the preceding 12 months must not exceed 20% of the existing approved fund size of AHP for the time being comprising 1,000,000,000 units (“Proposed Unit Holders’ Mandate”) and the Directors of the Manager be and are hereby empowered to obtain the approval for the listing of and quotation for such new Units on the Main Market of Bursa Malaysia Securities Berhad **AND THAT** such authority shall continue to be in force until;

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Unit Holders, at which time it shall lapse, unless the authority is renewed by Unit Holders; or
- (b) the expiration of the period within which the next AGM of the Unit Holders is required by law to be held; or
- (c) revoked or varied by the Unit Holders at an earlier Unit Holders’ meeting;

whichever occurs first (“Validity Period”);

AND THAT the new Units to be issued pursuant to the Proposed Unit Holders’ Mandate shall, upon allotment and issuance, rank equally in all respects with the existing Units except that the new Units will not be entitled to any

distributable income, right, benefit, entitlement and/or any other distributions that may be declared before the date of allotment and issuance of such new Units;

AND FURTHER THAT the Manager and the Trustee (for and on behalf of AHP) be and are hereby authorised to give effect to the Proposed Unit Holders' Mandate with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or as the Manager and the Trustee may deem to be in the best interests of the Unit Holders and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner (including executing such documents as may be required) as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Unit Holders' Mandate."

AS OTHER BUSINESS

3. To transact such other business as may be transacted at an AGM where due notice has been given.

BY ORDER OF THE BOARD

Pelaburan Hartanah Nasional Berhad (175967-W)
(as the Manager of Amanah Harta Tanah PNB)

Adibah Khairiah binti Ismail @ Daud (MIA 13755)
Company Secretary
Kuala Lumpur
28 February 2014

Notes:

1. A Unit Holder who is entitled to attend the meeting is entitled to appoint up to two (2) proxies to attend instead of him. Where a Unit Holder intends to appoint two proxies, the appointment shall be invalid unless the Unit Holder specifies the proportions of his/her holdings to be represented by each proxy. A proxy must be a Unit Holder except with the consent of the Manager unless the Unit Holder is a corporation who shall be entitled to appoint any officer (whether a Unit Holder or not) as its proxy to attend.
2. In the case of a vote to be taken by show of hands, every registered Unit Holder who is present in person or by proxy shall have one (1) vote. In the event that a registered Unit Holder appoints two proxies, only the First Proxy shall vote on behalf of the Registered Unit Holders.
3. If a person is present in the capacity of a registered Unit Holder and a proxy for other registered Unit Holders or as proxy for more than one registered Unit Holders he shall be entitled to exercise only one (1) vote on a show of hands.
4. Where a Unit Holder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint a proxy in respect of each securities account it holds in units standing to the credit of the said securities account.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of its attorney duly authorised in writing or if such appointer is a corporation either under its common seal or under the hand of an officer or attorney so authorised.
6. The instrument appointing proxy shall be deposited at the office of the appointed Registrar of AHP, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor not less than forty eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.
7. Only Unit Holders whose names appear in the Records of Depositors as at 20 March 2014 shall be entitled to attend and speak at the Meeting or appoint proxy(ies) to attend on his behalf.

Explanatory Notes on Special Business:

1. Ordinary Resolution 1 – Authority to allot and issue new Units pursuant to Clause 14.03 of the REITs Guidelines

The Resolution, if passed, will give a mandate to the Manager to allot and issue Units of AHP from time to time provided that the number of Units to be allotted and issued during the Validity Period, when aggregated with the number of Units issued during the preceding 12 months must not exceed 20% of the existing approved fund size of AHP for the time being comprising 1,000,000,000 units. This Proposed Unit Holders' Mandate, unless revoked or varied at a subsequent Unit Holders' Meeting, will expire at the conclusion of the next AGM of AHP.

The Proposed Unit Holders' Mandate will allow the Manager the flexibility to allot and issue new Units of AHP to raise funds to finance future investments, acquisitions and capital expenditure to enhance the value of AHP and/or to refinance existing debt as well as for working capital purposes, subject to the relevant laws and regulations.

The Proposed Unit Holders' Mandate, if passed, will avoid delays and further costs involved in convening separate general meetings to approve the new issue of Units to raise funds.

ADMINISTRATIVE NOTES FOR UNIT HOLDERS ATTENDING THE 2nd AGM

- i. Registration will commence at 2.00 p.m. and unit holders are requested to be punctual.
- ii. Original national registration identity card (NRIC) is required during registration for verification purpose.
- iii. Parking is available at the PNB Darby Park, a building adjacent to Menara PNB. Access to the parking is via Jalan Binjai.



FORM OF PROXY

I/We _____ NRIC/Company No. _____

Telephone no. _____ of _____

being a Registered Unit Holder of Amanah Harta Tanah PNB ("AHP") hereby appoint:

1 st Proxy	Full Name, Address and Telephone No.	NRIC No.	Proportion of Unit Holdings to be Represented

and/or failing whom (to delete whichever is not applicable):

2 nd Proxy	Full Name, Address and Telephone No.	NRIC No.	Proportion of Unit Holdings to be Represented

or failing whom, the Chairman of the meeting as my/our proxy/proxies to attend and vote on my/our behalf the 2nd Annual General Meeting of AHP to be held at the Theatre, 2nd Floor of Menara PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur on 26 March 2014 at 3.00 p.m. and any adjournment thereof.

No.	Ordinary Resolution	For	Against
1	Proposed Unit Holders Mandate		

Please indicate with an "X" in the space provided above as to how you wish your vote to be casted. In the absence of specific directions, your proxy/proxies will vote or abstain from voting on the resolution at his/their discretion.

Dated this _____ day of March, 2014

Number of Units Held	
CDS Account No.	

Signature/Seal of Unit Holder

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Fold this flap for sealing



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AFFIX
STAMP

SYMPHONY SHARE REGISTRARS SDN BHD
(Registrar for Amanah Harta Tanah PNB)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

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