

AMANAH HARTA TANAH PNB

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 30.06.2016 (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2015 (Audited) RM'000
INVESTMENTS		
Real estate	211,391	210,890
Real estate-related assets	633	549
Non-real estate-related assets	1,605	1,663
Deposits with financial institutions	6,205	6,291
	<u>219,834</u>	<u>219,393</u>
OTHER ASSETS		
Equipment, furniture and fittings	15	16
Tax recoverable	601	601
Trade receivables	909	862
Other receivables	6,794	5,917
Cash and bank balances	62	65
	<u>8,381</u>	<u>7,461</u>
TOTAL ASSETS	<u>228,215</u>	<u>226,854</u>
LIABILITIES		
Financing	62,241	59,894
Rental deposits	4,801	4,576
Other payables	353	280
Amount due to Manager	131	144
Deferred tax liability	2,414	2,414
TOTAL LIABILITIES	<u>69,940</u>	<u>67,308</u>
FINANCED BY:- UNIT HOLDERS' FUND		
Unit holders' capital	100,000	100,000
Retained Earnings	58,275	59,546
TOTAL NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS	<u>158,275</u>	<u>159,546</u>
TOTAL UNIT HOLDERS' FUNDS AND LIABILITIES	<u>228,215</u>	<u>226,854</u>
NUMBER OF UNITS IN CIRCULATION	<u>100,000</u>	<u>100,000</u>
NET ASSET VALUE ("NAV")	<u>158,275</u>	<u>159,546</u>
NAV (EX-DISTRIBUTION) PER UNIT (RM)	<u>1.5828</u>	<u>1.5955</u>

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

AMANAH HARTA TANAH PNB
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2016 RM'000	Preceding Year Quarter 30.06.2015 RM'000	Current Year Quarter 30.06.2016 RM'000	Preceding Year Corresponding Quarter 30.06.2015 RM'000
TOTAL REVENUE	4,322	3,285	7,659	6,711
Gross rental income	4,326	3,304	7,558	6,576
Less: Assessment	(229)	(232)	(457)	(458)
Quit rent	(13)	(13)	(27)	(27)
Other property operating expenditure	(1,170)	(1,100)	(2,637)	(2,238)
Depreciation	-	-	(1)	(1)
Net rental income	2,914	1,959	4,436	3,852
Interest income from deposits with financial institutions	49	64	104	174
Net gain/(loss) on real estate/non-real estate-related asset:				
Realised gain on disposal	-	1	11	1
Unrealised gain/(loss) on valuation	(80)	(123)	(59)	(95)
Dividend income	27	39	45	55
	<u>2,910</u>	<u>1,940</u>	<u>4,537</u>	<u>3,987</u>
EXPENSES				
Manager's fee	393	379	784	759
Trustee's fee	32	32	65	65
Auditors' remuneration	4	4	7	7
Valuation fee	-	53	-	53
Professional fee	-	40	-	62
Printing, postage and general expenses	36	168	71	282
Financing costs	700	526	1,382	982
Feasibility study	-	49	-	54
	<u>1,165</u>	<u>1,251</u>	<u>2,309</u>	<u>2,264</u>
INCOME BEFORE TAXATION	<u>1,745</u>	<u>689</u>	<u>2,228</u>	<u>1,723</u>
TAXATION	-	-	-	-
INCOME AFTER TAXATION	<u>1,745</u>	<u>689</u>	<u>2,228</u>	<u>1,723</u>
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,745</u>	<u>689</u>	<u>2,228</u>	<u>1,723</u>
NET INCOME AFTER TAXATION				
IS MADE UP OF THE FOLLOWING:				
- Realised	1,825	812	2,287	1,818
- Unrealised	(80)	(123)	(59)	(95)
	<u>1,745</u>	<u>689</u>	<u>2,228</u>	<u>1,723</u>
EARNINGS PER UNIT (SEN)	<u>1.75</u>	<u>0.69</u>	<u>2.23</u>	<u>1.72</u>

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

AMANAH HARTA TANAH PNB

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

	Unit holders' Capital (RM'000)	Retained Earnings		Total NAV Attributable to unit Holders (RM'000)
		Distributable Realised Income (RM'000)	Non- Distributable Unrealised Income (RM'000)	
Current Year To-date				
At 1 January 2016	100,000	13,588	45,959	159,547
Total comprehensive income for the period	-	2,287	(59)	2,228
Income distribution during the period:				
Final income distribution (Year ended Dec. 31, 2015)	-	(3,500)	-	(3,500)
At June 30, 2016	<u>100,000</u>	<u>12,375</u>	<u>45,900</u>	<u>158,275</u>
Preceding Year To-date				
At 1 January 2015	100,000	17,002	37,439	154,441
Total comprehensive income for the period	-	1,818	(95)	1,723
Income distribution during the period:				
Final income distribution (Year ended Dec. 31, 2014)	-	(3,700)	-	(3,700)
At June 30, 2015	<u>100,000</u>	<u>15,120</u>	<u>37,344</u>	<u>152,464</u>

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

AMANAH HARTA TANAH PNB

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

	Current Year To-date 30.06.2016 (RM'000)	Preceding Year To-date 30.06.2015 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before taxation	2,228	1,723
Adjustments for non-cash flow:		
Non-cash items	60	97
Non-operating items	1,222	752
Operating profit before working capital changes	<u>3,510</u>	<u>2,572</u>
Changes in working capital		
Net change in current assets	(102)	(82)
Net change in current liabilities	284	664
Net cash generated from operating activities	<u>3,692</u>	<u>3,154</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Real estate	(1,348)	(15,627)
Real estate-related asset/non-real estate-related asset	(28)	(41)
Interest received	105	200
Net cash generated from investing activities	<u>(1,271)</u>	<u>(15,468)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of income distribution	(3,500)	(3,700)
Proceed from revolving credit facility	2,348	12,510
Financing costs paid	(1,358)	(1,286)
Net cash used in financing activities	<u>(2,510)</u>	<u>7,524</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(89)	(4,790)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>6,356</u>	<u>10,157</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>6,267</u>	<u>5,367</u>

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

AMANAH HARTA TANAH PNB

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

A1. BASIS OF PREPARATION

The quarterly financial report has been prepared in accordance with MFRS 134: Interim Financial Reporting and should be read in conjunction with the audited financial statements for the year ended December 31, 2015.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2015.

A2. AUDIT REPORT FOR PRECEDING FINANCIAL YEAR

The audit report of the financial statements for the preceding year ended December 31, 2015, was not qualified.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of the Trust are not affected by material seasonal or cyclical factors.

A4. UNUSUAL ITEMS

There were no unusual items to be disclosed for the quarter under review.

A5. CHANGES IN ESTIMATES

This is not applicable as no estimates were previously reported.

A6. DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and year-to-date.

A7. INCOME DISTRIBUTION

No income distribution was paid during the current quarter.

A8. SEGMENTAL REPORTING

No segment information is prepared as the Trust's assets are located in Malaysia and hence, revenue is generated in Malaysia.

A9. VALUATIONS OF INVESTMENT IN REAL ESTATE

The value of the real estate has been brought forward from the previous annual financial statements without amendment. During the quarter under review, AHP has incurred a capital expenditure amounting to RM0.437 million.

A10. MATERIAL EVENTS

In relation to the proposed acquisition of a property for a purchase consideration of RM240 million and issuance of 120 million new units via rights issues as disclosed in the Audited Financial Report of the Trust for the year ended 31 December 2015, it was announced on 15 March 2016 that:

- (i) the Trustee for AHP, had on 14 March 2016 entered into a supplemental agreement with Mydin for the Acquisition; and
- (ii) the Manager had received an additional letter of irrevocable undertaking from PNB dated 14 March 2016 to subscribe for the remaining Rights Units which have not been subscribed by other Entitled Unit Holders of AHP and/or their renounees pursuant to the Proposed Rights Issue and the excess Rights Units applications, up to the maximum of 60,413,600 Rights Units, via excess application under the Proposed Rights Issue.

A11. EFFECT OF CHANGES IN THE COMPOSITION OF THE TRUST

The composition of the investment portfolio of the Trust is as follows:

Investments	Unaudited as at end of current quarter		Audited as at preceeding financial year end	
	(RM'000)	(%)	(RM'000)	(%)
Real estate	211,391	96.13	210,890	96.10
Real estate related-assets	633	0.29	549	0.25
Non-real estate-related assets	1,605	0.73	1,663	0.75
Deposits with financial institutions, cash and bank balances	6,267	2.85	6,356	2.90
	<u>219,896</u>	<u>100.00</u>	<u>219,458</u>	<u>100.00</u>

A12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets to be disclosed.

ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF BURSA MALAYSIA SECURITIES BERHAD'S MAIN MARKET LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

For the quarter ended June 30, 2016, the Trust recorded a total revenue of RM4.322 million, representing an increase of RM1.037 million or 31.57% from RM3.285 million achieved in the corresponding quarter in 2015.

Total expenditure for the quarter under review was RM2.577 million, representing a decrease of RM0.019 million or 0.73% from RM2.596 million recorded in the corresponding period in 2015.

For the quarter under review, the Trust recorded an income before taxation of RM1.745 million which represents an increase of RM1.056 million or 153.27% from RM0.689 million of profit recorded in the corresponding period last year.

B2. CHANGES IN THE STATE OF AFFAIRS

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

B3. SUMMARY OF EARNINGS PER UNIT, NET ASSET VALUE AND MARKET PRICE

	Current Year To-date	As at Preceeding Financial Year End
Authorised units ('000)	1,000,000	1,000,000
Number of units in issue ('000)	100,000 *	100,000 *
Total comprehensive income (RM'000)	2,228	12,305
Earnings per unit (sen)	2.23	12.31
Net asset value (RM'000)	158,275	159,546
Net asset value per unit (RM)	1.5828	1.5955
Market price per unit (RM)	1.02	1.00

* The Manager did not hold any unit in the Trust, however, Permodalan Nasional Berhad, a holding company of the Manager, held 5,063,500 units, representing approximately 5.06% of the total units in issue.

B4. REVIEW OF COMMERCIAL PROPERTY MARKET

The performance of Malaysia's property market comprising residential, commercial and industrial properties, moderated in the first quarter of 2016. For Purpose-Built-Office (PBO) subsector, some 61.210 sq. m of new private space was supplied into the market in the first quarter of 2016, reflecting an increase of 3.5% from the first quarter of 2015 level. On the demand side, the occupancy rate for private PBO in Malaysia in the first quarter of 2016 was 78.5%; a slight decrease from 79.2% recorded in the first quarter of 2015. As at the end of the first quarter of 2016, Kuala Lumpur accounted for 51.9% of the total private PBO space nationwide. The share of Kuala Lumpur's private PBO against the total national private PBO had decreased sharply from 52.9% recorded in the first quarter of 2015. The same decreasing pattern was observed in the previous year, indicating that commercial activities are gradually scattering away from Kuala Lumpur over the year.

B5. PROSPECTS

In view of the sustainable level of occupancy of the real estate of AHP, Management anticipates that the performance of the real estate of AHP will remain consistent for the current financial year.

B6. STATUS OF CORPORATE PROPOSALS

There were no proceeds raised from any corporate proposal.

B7. UTILISATION OF PROCEEDS RAISED FROM ANY ISSUANCE OF NEW UNITS

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

B8. CIRCUMSTANCES AFFECTING INTEREST OF UNIT HOLDERS

There were no unusual circumstances which materially affect the interest of the unit holders for the quarter under review.

B9. MATERIAL LITIGATION

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

B10. MAINTENANCE COST AND MAJOR CAPITAL EXPENDITURE

There were no major maintenance cost incurred during the quarter under review. However, capital expenditure amounting to RM0.437 million has been incurred during the quarter under review.

B11. SOFT COMMISSION

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

B12. INCOME RECOGNITION

(i) Rental Income

Rental income from real estate is accounted for on an accrual basis.

(ii) Gross Dividend Income

Gross dividend income from quoted shares are recognised on a declared basis, when the right to receive dividends has been established.

(iii) Other Income

Interest income, car park income and other real estate income are accounted for on an accrual basis.

B13. MANAGEMENT FEE

The Manager is entitled to a fee not exceeding 2% per annum of the net asset value of the Trust on each day of the accrual period, as defined in the Deed of Trust. The management fee charged for the current quarter is 1% (2015: 1%) per annum of the daily net asset value of the Trust.

No other fee, commission or initial service charges has been paid or is payable to the Manager.

B14. TRUSTEE'S FEE

The Trustee is entitled to a fee not exceeding 0.1% per annum of the net asset value of the Trust on each day of the accrual period, as defined in the Deed of Trust. The Trustee's fee charged for the current quarter is RM65,000 (2015: RM65,000).

B15. TRANSACTIONS WITH STOCKBROKING COMPANIES

No transaction recorded during the current quarter.

<u>Stockbroker</u>	<u>Value of Trade (RM)</u>	<u>Percentage of Total Trade (%)</u>	<u>Brokerage Fees (RM)</u>	<u>Percentage of Brokerage Fees (%)</u>
1. Maybank Investment Bank Berhad *	352,898	92.34	520	91.07
2. Public Investment Bank Berhad	29,274	7.66	51	8.93
	<u>382,172</u>	<u>100.00</u>	<u>571</u>	<u>100.00</u>

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

B16. COMPOSITION OF THE INVESTMENT PORTFOLIO

<u>Investments</u>	<u>Units</u>	<u>Total Cost (RM'000)</u>	<u>Fair Value (RM'000)</u>	<u>Percentage of Fair Value Over Net Asset Value (%)</u>
Real estate	6	163,111	211,391	133.56
Real estate related-assets	384,731	569	633	0.40
Non-real estate related-assets	225,026	1,663	1,605	1.01
Deposits with financial institutions, cash and bank balances		<u>6,267</u>	<u>6,267</u>	3.96
Total		<u>171,610</u>	<u>219,896</u>	138.93

B17. TAXATION

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

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

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

	Current Quarter RM'000	Year to-date RM'000
Income before taxation	<u>1,745</u>	<u>2,228</u>
Taxation at Malaysian statutory tax rate of 24%	419	535
Effect on income not subject to tax	1	(24)
Effect on expenses not deductible for tax purposes	12	27
Effect on income distribution exempted from tax at trust level	(432)	(538)
Utilisation of current year capital allowances	<u>-</u>	<u>-</u>
Tax expense for the period	<u>-</u>	<u>-</u>

B18. BORROWINGS AND DEBT SECURITIES

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

B19. INCOME DISTRIBUTION

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

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

B20. SOURCE OF DISTRIBUTION

Distribution to unit holders is from the following sources:

	RM'000
Net rental income	4,436
Gross dividends from investments	45
Interest income from deposits with financial institutions	104
Retained earnings	724
	<hr/>
	5,309
Less: Expenses	(2,309)
Total distribution	<hr/> <u>3,000</u>
Gross income distribution per unit (sen)	3.00
Net income distribution per unit (sen)	<hr/> <u>3.00</u>

B20. STATEMENT BY THE DIRECTORS OF THE MANAGER

In the opinion of the Directors of the Manager, the quarterly report has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of Amanah Harta Tanah PNB as at June 30, 2016 and its results and the cash flows for the quarter ended on that date and duly authorised for release by the Board of the Manager on July 27, 2016.

BY ORDER OF THE BOARD

ADIBAH KHAIRIAH BINTI ISMAIL @ DAUD (MIA 13755)
Company Secretary
PELABURAN HARTANAH NASIONAL BERHAD (175967-W)
(as the Manager of Amanah Harta Tanah PNB)