

AMANAH HARTA TANAH PNB

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

| | AS AT END OF CURRENT PERIOD 31.03.2020 (Unaudited) RM'000 | AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2019 (Audited) RM'000 |
|--|--|--|
| INVESTMENTS | | |
| Real estate | 406,114 | 409,689 |
| Real estate-accrued rental income | 30,762 | 28,711 |
| Deposits with financial institutions | 8,955 | 13,590 |
| | <u>445,831</u> | <u>451,990</u> |
| OTHER ASSETS | | |
| Equipment, furniture and fittings | 6 | 6 |
| Trade receivables | 5,539 | 4,717 |
| Other receivables | 2,479 | 531 |
| Cash and bank balances | 909 | 296 |
| | <u>8,933</u> | <u>5,550</u> |
| TOTAL ASSETS | <u>454,764</u> | <u>457,540</u> |
| LIABILITIES | | |
| Financing | 163,288 | 163,288 |
| Rental deposits | 5,066 | 5,057 |
| Other payables | 2,656 | 2,591 |
| Amount due to Manager | 708 | 241 |
| Deferred tax liability | 4,216 | 4,231 |
| TOTAL LIABILITIES | <u>175,934</u> | <u>175,408</u> |
| FINANCED BY:- | | |
| UNIT HOLDERS' FUND | | |
| Unit holders' capital | 219,121 | 219,121 |
| Retained Earnings | 59,709 | 63,011 |
| TOTAL NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS | <u>278,830</u> | <u>282,132</u> |
| TOTAL UNIT HOLDERS' FUNDS AND LIABILITIES | <u>454,764</u> | <u>457,540</u> |
| NUMBER OF UNITS IN CIRCULATION | <u>220,000</u> | <u>220,000</u> |
| NET ASSET VALUE ("NAV") | <u>278,830</u> | <u>282,132</u> |
| NAV (EX-DISTRIBUTION) PER UNIT (RM) | <u>1.2674</u> | <u>1.2824</u> |

(The Condensed Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended December 31, 2019.)

AMANAH HARTA TANAH PNB
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--|--|--|--|
| | Current Year Quarter 31.03.2020 RM'000 | Preceding Year Quarter 31.03.2019 RM'000 | Current Year To-date 31.03.2020 RM'000 | Preceding Year To-date 31.03.2019 RM'000 |
| <u>TOTAL REVENUE</u> | <u>7,890</u> | <u>7,527</u> | <u>7,890</u> | <u>7,527</u> |
| Gross rental income | | | | |
| Realised | 7,796 | 7,385 | 7,796 | 7,385 |
| Unrealised (unbilled lease income receivable) ¹ | 2,051 | 1,977 | 2,051 | 1,977 |
| | <u>9,847</u> | <u>9,362</u> | <u>9,847</u> | <u>9,362</u> |
| Less: Assessment | (219) | (229) | (219) | (229) |
| Quit rent | (12) | (14) | (12) | (14) |
| Other property operating expenditure | (1,942) | (1,224) | (1,942) | (1,224) |
| Depreciation | (1) | (1) | (1) | (1) |
| Net rental income | <u>7,673</u> | <u>7,894</u> | <u>7,673</u> | <u>7,894</u> |
| Interest income from deposits with financial institutions | 94 | 142 | 94 | 142 |
| Net gain/(loss) on real estate/non-real estate-related asset: | | | | |
| Realised (loss)/gain on disposal | (134) | 5 | (134) | 5 |
| Unrealised loss on valuation ¹ | (2,051) | (1,977) | (2,051) | (1,977) |
| | <u>5,582</u> | <u>6,064</u> | <u>5,582</u> | <u>6,064</u> |
| <u>EXPENSES</u> | | | | |
| Manager's fee | 696 | 691 | 696 | 691 |
| Trustee's fee | 33 | 33 | 33 | 33 |
| Auditors' remuneration | 5 | 5 | 5 | 5 |
| Valuation fee | - | 13 | - | 13 |
| Printing, postage and general expenses | 30 | 35 | 30 | 35 |
| Finance costs | 1,740 | 2,158 | 1,740 | 2,158 |
| | <u>2,504</u> | <u>2,935</u> | <u>2,504</u> | <u>2,935</u> |
| INCOME BEFORE TAXATION | <u>3,078</u> | <u>3,129</u> | <u>3,078</u> | <u>3,129</u> |
| TAXATION | - | - | - | - |
| INCOME AFTER TAXATION | <u>3,078</u> | <u>3,129</u> | <u>3,078</u> | <u>3,129</u> |
| OTHER COMPREHENSIVE INCOME | - | - | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | <u>3,078</u> | <u>3,129</u> | <u>3,078</u> | <u>3,129</u> |

AMANAH HARTA TANAH PNB

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (cont'd)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--|--|--|--|
| | Current Year Quarter 31.03.2020 RM'000 | Preceding Year Quarter 31.03.2019 RM'000 | Current Year To-date 31.03.2020 RM'000 | Preceding Year To-date 31.03.2019 RM'000 |
| NET INCOME AFTER TAXATION IS MADE UP OF THE FOLLOWING: | | | | |
| - Realised | 3,078 | 3,129 | 3,078 | 3,129 |
| - Unrealised | - | - | - | - |
| | <u>3,078</u> | <u>3,129</u> | <u>3,078</u> | <u>3,129</u> |
| EARNINGS PER UNIT (SEN) ² | <u>1.40</u> | <u>1.42</u> | <u>1.40</u> | <u>1.42</u> |

- 1 Recognition of unrealised rental income - unbilled lease income receivable pursuant to the requirements of MFRS 16 Leases, to recognise income from operating lease on a straight-line basis, including contractual increase in rental rates over the fixed tenure of the lease agreement.
- 2 The earnings per unit has been calculated based on the income after taxation for the period divided by the number units in circulation.

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended December 31, 2019.)

AMANAH HARTA TANAH PNB

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2020

| | Unit holders' Capital <u>(RM'000)</u> | Retained Earnings Distributable Realised Income <u>(RM'000)</u> | Non- Distributable Unrealised Income <u>(RM'000)</u> | Total NAV Attributable to unit Holders <u>(RM'000)</u> |
|--|---|---|--|--|
| Current Year To-date | | | | |
| At 1 January 2020 | 219,121 | 25,145 | 37,866 | 282,132 |
| Transfer to realised income | - | 147 | (147) | - |
| Total comprehensive income for the period | - | 3,078 | - | 3,078 |
| Income distribution during the period: Final income distribution (Year ended Dec. 31, 2019) | <u>-</u> | <u>(6,380)</u> | <u>-</u> | <u>(6,380)</u> |
| At March 31, 2020 | <u>219,121</u> | <u>21,990</u> | <u>37,719</u> | <u>278,830</u> |
| Preceding Year To-date | | | | |
| At 1 January 2019 | 219,121 | 16,645 | 46,399 | 282,165 |
| Transfer to realised income | - | 3,890 | (3,890) | - |
| Total comprehensive income for the period | - | 3,129 | - | 3,129 |
| Income distribution during the period: Final income distribution (Year ended Dec. 31, 2018) | <u>-</u> | <u>(6,556)</u> | <u>-</u> | <u>(6,556)</u> |
| At March 31, 2019 | <u>219,121</u> | <u>17,108</u> | <u>42,509</u> | <u>278,738</u> |

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended December 31, 2019.)

AMANAH HARTA TANAH PNB

UNAUDITED CONDENSED STATEMENT OF
CASH FLOW FOR THE PERIOD ENDED MARCH 31, 2020

| | Current Year To-date 31.03.2020 (RM'000) | Preceding Year To-date 31.03.2019 (RM'000) |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income before taxation | 3,078 | 3,129 |
| Adjustments for non-cash flow: | | |
| Non-cash items | - | 1,978 |
| Non-operating items | 1,781 | 2,011 |
| Operating profit before working capital changes | <u>4,859</u> | <u>7,118</u> |
| Changes in working capital | | |
| Net change in current assets | (973) | (5,154) |
| Net change in current liabilities | 581 | (56) |
| Net cash generated from operating activities | <u>4,467</u> | <u>1,908</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investment in real estate | (425) | (231) |
| Proceed from disposal of real estate | - | 4,320 |
| Interest received | 96 | 158 |
| Net cash generated from investing activities | <u>(329)</u> | <u>4,247</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Payment of income distribution | (6,380) | (6,556) |
| Financing costs paid | (1,780) | (2,185) |
| Net cash used in financing activities | <u>(8,160)</u> | <u>(8,741)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | (4,022) | (2,586) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | <u>13,886</u> | <u>19,831</u> |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | <u>9,864</u> | <u>17,245</u> |

(The Condensed Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended December 31, 2019.)

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, 2019.

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 2019 except for the adoption of the following standards that became effective for financial period beginning 1 January 2020:

Revised Conceptual Framework for Financial Reporting
Amendments MFRS 3 - Definition of a Business
Amendments to MFRS 101 and MFRS 108 - Definition of Material
Amendments to MFRS 7, MFRS 9 and MFRS 139 - Interest Rate Benchmark Reform

A2. AUDIT REPORT FOR PRECEDING FINANCIAL YEAR

The audit report of the financial statements for the preceding year ended December 31, 2019, 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 PAID

An income distribution of RM6.380 million or 2.90 sen a unit (taxable) for the six-month period ended December 31, 2019, was paid during the current quarter on February 28, 2020.

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 RM0.276 million.

A10. MATERIAL EVENTS

The disposal of the two units of stratified shop lots identified as Ground and First floor, Lot 55, Block G, Asia City Phase 1B, Kampung Air, Kota Kinabalu, Sabah ("Asia City Property") has been completed on 29 February 2020. The disposal was made pursuant to the Sale and Purchase Agreement dated 9 August 2019 signed between AmanahRaya Trustees Berhad (as Trustee for AHP) and Hua Hing Seafood, for a cash consideration of RM1.8 million.

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 period | | Unaudited as at preceeding financial year end | |
|--|--|---------------|--|---------------|
| | (RM'000) | (%) | (RM'000) | (%) |
| Real estate | 406,114 | 90.91 | 409,689 | 90.58 |
| Real estate-accrued rental income | 30,762 | 6.88 | 28,711 | 6.35 |
| Deposits with financial institutions, cash and bank balances | 9,864 | 2.21 | 13,886 | 3.07 |
| | <u>446,740</u> | <u>100.00</u> | <u>452,286</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

Current quarter results

For the quarter ended March 31, 2020, the Trust recorded a total revenue of RM7.890 million, representing an increase of RM0.363 million or 4.82% from RM7.527 million achieved in the corresponding quarter in 2019.

Total expenditure for the quarter under review was RM4.678 million, representing an increase of RM0.275 million or 6.25% from RM4.403 million recorded in the corresponding period in 2019. The increase was mainly due to the higher property operating expenditure during the current quarter in 2020.

For the quarter under review, the Trust recorded an income before taxation of RM3.078 million, a decrease of RM0.005 million or 1.63% from RM3.129 million recorded in the corresponding quarter 2019.

Total net asset value for the year was RM278.830 million (RM1.2674 per unit), representing decrease of RM3.302 million or 1.17% from RM282.132 million (RM1.2824 per unit) recorded in 2019.

Realised net income after taxation for the quarter under review was RM3.078 million, a decrease of RM0.051 million or 1.66% from RM3.129 million recorded in the corresponding quarter in 2019.

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

Income before taxation for the quarter ended March 31, 2020 was RM3.078 million, representing an increase of RM0.021 million or 0.69% as compared to income before taxation of RM3.057 million recorded in the immediate preceding quarter ended December 31, 2019. This was mainly due to finance cost in the current quarter as a result of several repayments of part of the financing incurred for the upgrading of Plaza VADS.

B3. CHANGES IN THE STATE OF AFFAIRS

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

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

| | Current Year To-date | As at Preceding Financial Year End |
|--|-------------------------|--|
| Number of units in circulation/listed ('000) | 220,000 * | 220,000 * |
| Total comprehensive income (RM'000) | 3,078 | 12,792 |
| Earnings per unit (sen) | 1.40 | 5.81 |
| Net asset value (RM'000) | 278,830 | 282,132 |
| Net asset value per unit (RM) | 1.2674 | 1.2824 |
| Market price per unit (RM) | 0.660 | 0.765 |

* The Manager did not hold any unit in the Trust, however, Permodalan Nasional Berhad, a holding company of the Manager, held 11,139,700 units, representing approximately 5.06% of the total units in issue as at December 31, 2019 (11,139,700 units, representing approximately 5.06% as at preceding financial year end).

B5. PROSPECTS

Moving forward into 2020, Ministry of Finance (MOF) in its Economic Outlook 2019/20 predicted earlier that the Malaysian economy is expected to grow by 4.8%, which is slightly stronger than the rate of 4.7% in 2019. This anticipated stronger growth is underpinned by resilient domestic demand, particularly household spending resultant from the stable labour market and low inflation.

However, MOF on April 3, 2020, subsequent to the imposition of the first Movement Control Order (MCO) due to the COVID-19 outbreak, had revised its projection of Gross Domestic Product (GDP) at between -2% to 0.5% against a highly challenging global economic outlook mainly due to the pandemic. The economy will also be affected due to the sharp decline and volatile shifts in crude oil prices and continued supply disruption in the commodities sector.

AHP will continue being committed to strengthen its core business segment while adjusting to the current market challenges. However, as suggested by the YAB Prime Minister, landlords are urged to provide some rental reduction or discount to their tenants to assist them to ride out the effects of the COVID-19. Landlords are encouraged to provide at least 30% rental reduction from April to June 2020 which will qualify them for additional tax deduction.

Hence, AHP, as a fund which is directly linked to Permodalan Nasional Berhad, a Government Linked Investment Company (GLIC), have provided some rental reduction reliefs to the tenants especially SME's and small companies. PHNB, as the Manager to the fund, via the Malaysian REIT Managers Association (MRMA) have appealed for reliefs, among others further electricity tariff discounts, unit holder's withholdings tax exemption, reduction of percentage of distribution payout for tax exemption and subsidies for statutory contribution.

B6. STATUS OF CORPORATE PROPOSALS

There were no proceeds raised from any corporate proposal.

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

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

B8. CIRCUMSTANCES AFFECTING INTEREST OF UNIT HOLDERS

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

B9. MATERIAL LITIGATION

There were no pending material litigation since the date of the last audited financial statements up to the date of this report.

B10. MAINTENANCE COST AND MAJOR CAPITAL EXPENDITURE

There were no major maintenance cost incurred during the quarter under review. However, capital expenditure amounting to RM0.276 million has been incurred during the quarter under review.

B11. SOFT COMMISSION

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

B12. INCOME RECOGNITION

(i) Rental

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

Pursuant to the requirements of MFRS 16 Leases to recognise income from operating lease on a straight-line basis, including contractual increase in rental rates over the fixed tenure of the lease agreement, unrealised rental income relating to the unbilled rental income receivable are also included in the rental income for the year.

(ii) Other Income

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

B13. MANAGEMENT FEE

The Manager is entitled to a fee not exceeding 2% per annum of the net asset value of the Trust on each day of the accrual period, as defined in the Deed of Trust. The management fee charged for the current quarter is 1% (2019: 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 during the quarter other than the disposal fee for the disposal of the shopoffice in Asia City, Kota Kinabalu amounting to RM9,000, included as part of the cost of disposal.

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 RM32,500 (2019: RM32,500).

B15. TRANSACTIONS WITH STOCKBROKING COMPANIES

No transaction recorded during the current quarter.

B16. COMPOSITION OF THE INVESTMENT PORTFOLIO

| <u>Investments</u> | <u>Units</u> | <u>Total Cost</u> (RM'000) | <u>Fair Value</u> (RM'000) | Percentage of Fair Value Over Net Asset <u>Value</u> (%) |
|---|--------------|-----------------------------------|-----------------------------------|---|
| Real estate | 3 | 394,713 | 406,114 | 145.65 |
| Deposits with financial institutions, cash and bank balances | | <u>9,864</u> | <u>9,864</u> | 3.54 |
| Total | | <u><u>404,577</u></u> | <u><u>415,978</u></u> | 149.19 |

B17. TAXATION

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

The Trust estimates that it will distribute at least 90% of its chargeable income for the whole financial year and accordingly the Trust is not subject to income tax for the year ended December 31, 2019.

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>3,078</u> | <u>3,078</u> |
| Taxation at Malaysian statutory tax rate of 24% | 739 | 739 |
| Effect on income not subject to tax | (10) | (10) |
| Effect on expenses not deductible for tax purposes | 9 | 9 |
| Effect on income distribution exempted from tax at trust level | <u>(738)</u> | <u>(738)</u> |
| Tax expense for the period | <u><u>-</u></u> | <u><u>-</u></u> |

B18. BORROWINGS AND DEBT SECURITIES

As at 31 March 2020, there were no debt securities issued.

Total borrowings as at 31 March 2020 were as follows:

| <u>Denominated in RM</u> | Secured RM'000 |
|------------------------------------|-----------------------|
| Islamic revolving credit (current) | 38,288 |
| Islamic term loan (non-current) | 125,000 |
| | <u><u>163,288</u></u> |

B19. INCOME DISTRIBUTION DECLARED

No income distribution has been declared for the quarter ended March 31, 2020.

B20. OTHER INFORMATION

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

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

B21. 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 March 31, 2020 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 6 May 2020.

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)