AMANAH HARTA TANAH PNB

CONDENSED BALANCE SHEET

|  |  |  |  |
| --- | --- | --- | --- |
|  | AS AT END  OF CURRENT  QUARTER  31.12.2008  RM’000 |  | AS AT PRECEDING FINANCIAL  YEAR ENDED  31.12.2007  RM’000 |
| INVESTMENT |  |  |  |
| Real estates | 143,290 |  | 141,485 |
| Real estate-related assets | 56 |  | 0 |
| Non-real estate-related assets | 1,247 |  | 1,344 |
| Deposits with financial institutions | 9,171 |  | 7,935 |
|  | ----------- |  | ----------- |
|  | 153,764 |  | 150,764 |
|  | ----------- |  | ----------- |
| OTHER ASSETS |  |  |  |
| Equipment, furniture and fittings  Tax recoverable | 5  308 |  | 9  285 |
| Trade receivables | 397 |  | 342 |
| Other receivables | 423 |  | 1,069 |
| Cash and bank balances | 37 |  | 10 |
|  | ----------- |  | ----------- |
|  | 1,170 |  | 1,715 |
|  | ----------- |  | ----------- |
|  |  |  |  |
| TOTAL ASSETS | 154,934 |  | 152,479 |
|  | ----------- |  | ----------- |
|  |  |  |  |
| LIABILITIES EXCLUDING NET ASSET  VALUE ATTRIBUTABLE TO UNITHOLDERS |  |  |  |
| Rental Deposits | 3,757 |  | 3,637 |
| Other payables | 971 |  | 791 |
| Amount due to Manager | 127 |  | 223 |
|  | ----------- |  | ----------- |
|  | 4,855 |  | 4,651 |
|  | ----------- |  | ----------- |
|  |  |  |  |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | 150,079 |  | 147,828 |
|  |  |  |  |
|  |  |  |  |
| TOTAL LIABILITIES | 154,934 |  | 152,479 |
|  | ====== |  | ====== |
|  |  |  |  |
| NET ASSET VALUE A UNIT (RM) | 1.5008 |  | 1.4783 |
|  | ===== |  | ===== |
|  |  |  |  |
|  |  |  |  |

(The Condensed Balance Sheet should be read in conjunction with the Annual Financial Report for the

year ended December 31, 2007).

AMANAH HARTA TANAH PNB

CONDENSED INCOME STATEMENT

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | INDIVIDUAL QUARTER | |  | CUMULATIVE QUARTER | |
|  | Current  Year  4th Quarter  31.12.2008  RM’000 | Preceding Year  4th Quarter  31.12.2007  RM’000 |  | Current  Year  To-date  31.12.2008  RM’000 | Preceding Year  Corresponding Period  31.12.2007  RM’000 |
|  |  |  |  |  |  |
| TOTAL TRUST REVENUE | 5,322 | 15,914 |  | 15,612 | 25,151 |
|  | ===== | ===== |  | ===== | ===== |
|  |  |  |  |  |  |
| Gross rental income | 3,549 | 3,222 |  | 13,697 | 12,095 |
| Less : Assessment | (224) | (226) |  | (898) | (897) |
| Quit Rent | (16) | (15) |  | (59) | (58) |
| Property operating expenditure | (1,066) | (933) |  | ( 4,010) | (3,899) |
| Depreciation | - | (2) |  | (4) | (6) |
|  | ---------- | ---------- |  | *----------* | ---------- |
| Net rental income | 2,243 | 2,046 |  | 8,726 | 7,235 |
| Income from deposits with financial institutions | 64 | 60 |  | 271 | 265 |
| Realised gain on disposal of quoted shares | - | 354 |  | 103 | 381 |
| Unrealised gain on revaluation of real estates | 1,805 | 12,374 |  | 1,805 | 12,374 |
| Unrealised gain/(loss) on valuation of  quoted shares | (150) | (156) |  | (352) | (62) |
| Dividend Income | 54 | 60 |  | 88 | 98 |
|  | ---------- | ----------- |  | ---------- | ----------- |
| TOTAL TRUST INCOME | 4,016 | 14,738 |  | 10,641 | 20,291 |
|  | ---------- | ----------- |  | ---------- | ----------- |
| TOTAL TRUST EXPENDITURE |  |  |  |  |  |
|  |  |  |  |  |  |
| Management fee | 374 | 339 |  | 1,477 | 1,341 |
| Trustee’s fee | 32 | 30 |  | 130 | 130 |
| Auditors’ remuneration | 3 | 4 |  | 13 | 13 |
| Tax agent’s fee | 4 | - |  | 4 | 4 |
| Valuation fee | 62 | - |  | 68 | - |
| Administrative expenses | 14 | 19 |  | 198 | 140 |
|  | ----------- | ------------- |  | ----------- | ------------- |
|  | 489 | 392 |  | 1,890 | 1,628 |
|  | ----------- | ------------- |  | ----------- | ------------- |
|  |  |  |  |  |  |
| INCOME BEFORE TAXATION | 3,527 | 14,346 |  | 8,751 | 18,663 |
| TAXATION | - | - |  | - | - |
|  | ----------- | ------------ |  | ----------- | ------------ |
| INCOME AFTER TAXATION | 3,527 | 14,346 |  | 8,751 | 18,663 |
|  | ====== | ====== |  | ====== | ====== |
|  |  |  |  |  |  |
| EARNINGS A UNIT (SEN) - Basic | 3.53 | 14.35 |  | 8.75 | 18.66 |
|  | ==== | ==== |  | ==== | ==== |
| EARNINGS A UNIT (SEN) - Diluted | N/A | N/A |  | N/A | N/A |
|  | ==== | ==== |  | ==== | ==== |

(The Condensed Income Statement should be read in conjunction with the Annual Financial Report for

the year ended December 31, 2007).

AMANAH HARTA TANAH PNB

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE

FOR THE QUARTER ENDED DECEMBER 31, 2008

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Unitholders  Capital  (RM’000) | Revaluation  Reserve  (RM’000) | Accumulated  Income  (RM’000) | Total  Unitholders’  Fund  (RM’000) |
| 12 Month Quarter  Ended December 31, 2008 |  |  |  |  |
| At January 1, 2008  Net income for the period  Income distribution during the period:  Final income distribution  (Year ended Dec. 31, 2007)  Interim income distribution  (Year ending Dec. 31, 2008) | 100,000  -    -  - | -  -      -  - | 47,828  8,751    (3,500)  (3,000) | 147,828  8,751  (3,500)  (3,000) |
|  | ------------ | ------------ | ------------ | ------------ |
| At December 31, 2008 | 100,000 | - | 50,079 | 150,079 |
|  | ====== | ====== | ====== | ====== |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 12 Month Quarter  Ended December 31, 2007 |  |  |  |  |
| At January 1, 2007  Net income for the period  Income distribution during the period:  Final income distribution  (Year ended Dec. 31, 2006)  Interim income distribution  (Year ended Dec. 31, 2007) | 100,000    -  -    - | -    -  -  - | 34,665    18,663      (3,000)  (2,500) | 134,665  18,663      (3,000)  (2,500) |
|  | ------------ | ------------ | ------------ | ------------ |
| At December 31, 2007 | 100,000 | - | 47,828 | 147,828 |
|  | ====== | ====== | ====== | ====== |

(The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the

Annual Financial Report for the year ended December 31, 2007).

AMANAH HARTA TANAH PNB

CONDENSED CASH FLOW STATEMENT

FOR THE QUARTER ENDED DECEMBER 31, 2008

|  |  |  |
| --- | --- | --- |
|  | 12 Month  Ended  December 31,  2008  (RM’000) | 12 Month  Ended  December 31,  2007  (RM’000) |
| CASH FLOW FROM OPERATING ACTIVITIES |  |  |
| Income before taxation | 8,751 | 18,663 |
| Adjustment for non-cash flow:- |  |  |
| Non-cash items | (1,801) | (12,306) |
| Non-operating items | (110) | (745) |
|  | ------------ | ------------ |
| Operating profit before working capital changes | 6,840 | 5,612 |
| Changes in working capital: |  |  |
| Net change in current assets | (78) | (230) |
| Net change in current liabilities | 204 | (116) |
|  | ------------ | ------------ |
| Cash generated from operations | 6,966 | 5,266 |
| Income taxes paid | (23) | (17) |
|  | ------------ | ------------ |
| Net cash flows from operating activities | 6,943 | 5,249 |
|  | ------------ | ------------ |
| CASH FLOW FROM INVESTING ACTIVITIES |  |  |
| Real property investments | - | (841) |
| Equity investments | 548 | 62 |
| Other investments | 272 | 261 |
|  | ------------ | ------------ |
| Net cash generated from investing activities | 820 | (518) |
|  | ------------ | ------------ |
| CASH FLOW FROM FINANCING ACTIVITIES |  |  |
| Payment of income distribution | (6,500) | (5,500) |
|  | ------------ | ------------ |
| Net cash used in financing activities | (6,500) | (5,500) |
|  | ------------ | ------------ |
| NET INCREASE/(DECREASE) IN CASH AND CASH  EQUIVALENTS | 1,263 | (769) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 7,945 | 8,714 |
|  | ------------ | ------------ |
| CASH AND CASH EQUIVALENTS AT END OF THE  PERIOD | 9,208 | 7,945 |
|  | ====== | ====== |

(The Condensed Cash Flow Statement should be read in conjunction with the Annual Financial Report

for the year ended December 31, 2007).

AMANAH HARTA TANAH PNB

EXPLANATORY NOTES AS REQUIRED BY FRS 134

A1. BASIS OF PREPARATION

The quarterly financial report has been prepared in accordance with FRS 134: Interim Financial Reporting and should be read in conjunction with the audited financial statements for the year ended December 31, 2007.

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 2007 except for the adoption of the following new Financial Reporting Standards (“FRS”), amendment to FRS and Interpretations on July 1, 2007:

FRS 107 Cash Flow Statements

FRS 111 Construction Contracts \*

FRS 112 Income Taxes

FRS 118 Revenue

FRS 120 Accounting for Government Grants and Disclosure of

Government Assistance \*

FRS 134 Interim Financial Reporting

FRS 137 Provision, Contingent Liabilities and Contingent Assets

Amendment to FRS 121 The Effect of Changes in Foreign Exchange Rates:

Net Investment in a Foreign Operation \*

IC Interpretation 1 - Changes in Existing Decommissioning, Restoration

and Similar Liabilities \*

IC Interpretation 2 - Member's Shares in Co-operative Entities and Similar

Instruments \*

IC Interpretation 5 - Rights to Interests arising from Decommissioning,

Restoration and Environmental Rehabilitation Funds \*

IC Interpretation 6 - Liabilities arising from Participating in a Specific Market:

Waste Electrical and Electronic Equipment \*

IC Interpretation 7 - Applying the Restatement Approach under FRS 1292004 :

Financial Reporting in Hyperinflationary Economies \*

IC Interpretation 8 - Scope of FRS 2 \*

Note: \* The directors are of the opinion that these FRSs, Amendment to FRSs and Interpretation are not applicable to the Trust.

The adoption of the other FRSs does not result in significant changes in the accounting policies of the Trust.

A2. QUALIFIED AUDIT REPORT

The audit report of the financial statements for the preceding year ended December 31, 2007, was not qualified.

A3. COMMENTS ON 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 was 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 quarter under review.

A8. SEGMENTAL REPORTING

Not applicable.

A9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

In compliance with Clause 10.03 of the Guidelines of Real Estate Investment Trust which state that a revaluation of all the real estates in the fund’s investment portfolio should be carried out once in every three years. The last mandatory valuation exercise carried out was on March 1, 2006. On December 1, 2008, all the real estates of AHP have been revalued by independent registered valuers. The new values of the real estates of RM143.29 million and the revaluation surplus of RM1.805 million have been incorporated into the financial statements of the current quarter ended December 31, 2008.

A10. MATERIAL EVENTS

There were no material events as at the latest practicable date from the date of this

report.

A11. EFFECT OF CHANGES IN THE COMPOSITION OF THE TRUST

There were no changes in the composition of the Trust for the current quarter and financial year-to-date.

A12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

INFORMATION PURSUANT TO PARAGRAPH 9.22 OF THE BURSA SECURITIES LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

For the quarter ended December 31, 2008, the Trust recorded total revenue of RM5.322 million, representing a decrease of RM10.592 million or 66.56% from RM15.914 million achieved in the corresponding quarter in 2007. The decrease was mainly attributed to the lower unrealised gain on valuation of real estates.

Total expenditure for the quarter under review was RM1.795 million, representing an increase of RM0.227 million or 14.48% from RM1.568 million recorded in the corresponding period. The increase was mainly attributed to the increase in property operating expenditure of RM0.133 million from RM0.933 million recorded in the corresponding period in 2007 to RM1.066 million.

For the quarter under review, the income before taxation recorded a decrease of RM10.819 million or 75.41% from RM14.346 million recorded in the corresponding period last year to RM3.527 million.

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

The income before taxation for the quarter ended December 31, 2008 was RM3.527 million, representing an increase of RM1.913 million or 118.53% as compared with income before taxation of RM1.614 million recorded in the immediate preceding quarter ended September 30, 2008. The increase was mainly due to the inclusion of the unrealised gain on valuation of real estates of AHP following the revaluation carried on December 1, 2008.

B3. PROSPECTS

Bank Negara Malaysia in its “Economic and Financial Development In Malaysia In The Third Quarter of 2008” reported that ‘Going forward, the deterioration of the global financial environment has begun to have an adverse impact on global economic activity. Global growth is weakening substantially, with several major developed economies sliding into a recession’. To mitigate the impact of weak global growth on the domestic economy, the Government announced a pre-emptive RM7 billion Economic Stabilisation

Plan on 4 November 2008 and reduced the Overnight Policy Rate (OPR) to 3.25 percent and the Statutory Reserve Requirement (SRR) from 4% to 3.5% from 1 December 2008. Bank Negara Malaysia on 21 January 2009, further reduced the OPR to 2.50% and SSR to 2%, effective on 1 February 2009.

The current economic downturn is expected to affect the consumers’ confidence and spending including the property sector. The Government stimulus package and the lower interest rate are expected to give support to the domestic consumers’ confidence. We expect to experience softness for both the residential and office market for the coming year. However, it is generally expected that the economy will pick up in a year or two.

For AHP, Management anticipates that the income for the coming year to be maintained due to current occupancy level of 97% and pre-agreed tenancy terms with the existing tenants.

B4. VARIANCES

This note is not applicable as no profit forecast or profit guarantee was issued for the financial period.

B5. TAXATION

The tax expense comprises of the following:-

|  |  |  |
| --- | --- | --- |
|  | Current Quarter  RM’000 | Year-to-date  RM’000 |
| Taxation on current period’s profit | - | - |
|  | ------- | -------- |
| Tax expense for the period | -  ==== | -  ==== |

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 | 8,751  ==== | 8,751  ==== |
| Taxation at Malaysian statutory tax  rate of 26%  Effect on income not subject to tax  Effect on expenses not deductible for tax  purposes  Effects on income distribution exempted  from tax at trust level  Utilisation of current year capital  allowances  Tax expense for the period | 917 (536)    136  (508)  (9)  *---------*  - | 2,275  (564)  192  (1,595)  (308)  *---------*  - |
|  | ***=====*** | *=====* |

B6. PROFITS ON SALE OF INVESTMENT IN UNQUOTED SHARES/PROPERTIES

There was no disposal of investment in unquoted shares and/or properties for the current quarter and financial year to-date.

B7. PARTICULARS OF PURCHASE OR DISPOSAL OF INVESTMENT IN QUOTED SHARES

(a)

|  |  |  |
| --- | --- | --- |
|  | Current Quarter  RM’000 | Year-to-date  RM’000 |
| Total purchase of quoted securities | 64 | 1,070 |
| Total proceeds on disposal of quoted securities | - | 862 |
| Total profit on disposal of quoted securities | - | 102 |

(b)

|  |  |
| --- | --- |
|  | RM’000 |
| Total investments at cost/carrying value | 1,655 |
| Total investments at book value | 1,303 |
| Total investments at market value at end of reporting period | 1,303 |

B8. STATUS OF CORPORATE PROPOSALS

1. There were no corporate proposals announced but not completed at the latest

practicable date from the date of the issuance of this report.

1. There were no proceeds raised from any corporate proposal.

B9. BORROWINGS AND DEBT SECURITIES

There were no borrowings and debt securities as at the end of the reporting period.

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Trust has no financial instruments with off-balance sheet risks as at the latest practicable date from the date of the issuance of this report that might materially affect the position or business of the Trust.

B11. MATERIAL LITIGATION

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

B12. INCOME DISTRIBUTION

(a) (i) A final income distribution for the period from July 1, 2008, to December 31, 2008, has been declared.

(ii) Amount per unit – 3.50 sen (tax exempt at trust level)

(iii) Previous corresponding period – 3.50 sen (tax exempt at trust level)

1. Date payable – February 27, 2009

(v) Entitlement is determined on the basis of a record of depositors as at February 19, 2009.

B13. EARNINGS A UNIT

|  |  |  |
| --- | --- | --- |
|  | Current Quarter  Ended  31.12.2008 | Year-to-date  Ended  31.12.2008 |
| Net income attributable to unitholders (RM’000) | 3,527 | 8,751 |
| Number of units in issue (‘000) | 100,000 | 100,000 |
| Basic earnings a unit (sen) | 3.53 | 8.75 |
| Diluted earnings a unit (sen) | N/A | N/A |

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)

Kuala Lumpur

February 3, 2009