

AMANAH HARTA TANAH PNB

UNAUDITED CONDENSED STATEMENT OF ASSETS AND LIABILITIES

	AS AT END OF CURRENT QUARTER 30.06.2010 (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2009 (Audited) RM'000
<u>INVESTMENTS</u>		
Real estates	142,287	143,290
Real estate-related assets	83	48
Non-real estate-related assets	1,933	1,272
Deposits with financial institutions	8,539	8,202
	-----	-----
	152,842	152,812
	-----	-----
<u>OTHER ASSETS</u>		
Equipment, furniture and fittings	2	3
Tax recoverable	637	637
Trade receivables	1,312	1,376
Other receivables	833	572
Cash and bank balances	1,632	72
	-----	-----
	4,416	2,660
	-----	-----
TOTAL ASSETS	157,258	155,472
	-----	-----
<u>LIABILITIES</u>		
Rental Deposits	4,264	3,940
Other payables	477	612
Amount due to Manager	501	128
Revolving credit-i	934	-
	-----	-----
TOTAL LIABILITIES	6,176	4,680
	-----	-----
<u>EQUITY</u>		
Unit holders' capital	100,000	100,000
Undistributed income	51,082	50,791
	-----	-----
TOTAL NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS	151,082	150,791
	-----	-----
TOTAL EQUITY AND LIABILITIES	157,258	155,472
	=====	=====
NUMBER OF UNITS IN CIRCULATION	100,000	100,000
	=====	=====
NET ASSET VALUE PER UNIT (RM)	1.5108	1.5079
	=====	=====

(The Unaudited Condensed Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended December 31, 2009).

AMANAH HARTA TANAH PNB

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 2nd Quarter 30.06.2010 RM'000	Preceding Year 2nd Quarter 30.06.2009 RM'000	Current Year To-date 30.06.2010 RM'000	Preceding Year Corresponding Period 30.06.2009 RM'000
<u>TOTAL TRUST REVENUE</u>	3,841 =====	3,811 =====	7,526 =====	7,431 =====
Gross rental income	3,779	3,504	7,388	7,020
Less : Assessment	(224)	(223)	(445)	(444)
Quit Rent	(14)	(15)	(29)	(29)
Property operating expenditure	(1,064)	(1,095)	(2,120)	(2,052)
Depreciation	-	-	(1)	(1)
Net rental income	2,477	2,171	4,793	4,494
Income from deposits with financial institutions	47	44	89	102
Net gain/(loss) on real estate/non-real estate-related asset:				
Realised gain on disposal	8	67	8	85
Unrealised gain/(loss) on valuation	(13)	187	15	206
Dividend Income	20	9	26	18
<u>TOTAL TRUST INCOME</u>	2,539 -----	2,478 -----	4,931 -----	4,905 -----
<u>TOTAL TRUST EXPENDITURE</u>				
Management fee	375	374	744	746
Trustee's fee	33	32	65	65
Auditors' remuneration	3	4	7	7
Administrative expenses	28	36	68	74
Islamic financing cost	7	-	7	-
	446 -----	446 -----	891 -----	892 -----
INCOME BEFORE TAXATION	2,093	2,032	4,040	4,013
TAXATION	-	-	-	-
INCOME AFTER TAXATION	2,093 =====	2,032 =====	4,040 =====	4,013 =====
OTHER COMPREHENSIVE INCOME	-	-	-	-
<u>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</u>	2,093 =====	2,032 =====	4,040 =====	4,013 =====
INCOME AFTER TAXATION FOR THE PERIOD IS MADE UP OF THE FOLLOWING:				
- Realised	2,106	1,845	4,025	3,807
- Unrealised	(13)	187	15	206
	2,093 =====	2,032 =====	4,040 =====	4,013 =====
EARNINGS PER UNIT (SEN)	2.09 =====	2.03 =====	4.04 =====	4.01 =====

(The Unaudited Condensed Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended December 31, 2009).

AMANAH HARTA TANAH PNB

UNAUDITED CONDENSED STATEMENT OF CHANGES
IN EQUITY FOR THE SIX-MONTH ENDED JUNE 30, 2010

	Unit holders' <u>Capital</u> (RM'000)	Undistributed Income		Total <u>NAV</u> (RM'000)
		<u>Realised</u> (RM'000)	<u>Unrealised</u> (RM'000)	
<u>6-Month Quarter Ended June 30, 2010</u>				
At January 1, 2010	100,000	17,213	33,579	150,792
Total comprehensive income for the period	-	4,025	15	4,040
Income distribution during the period:				
Final income distribution (Year ended Dec. 31, 2009)	-	(3,750)	-	(3,750)
	-----	-----	-----	-----
At June 30, 2010	100,000	17,488	33,594	151,082
	=====	=====	=====	=====
<u>6-Month Quarter Ended June 30, 2009</u>				
At January 1, 2009	100,000	17,103	32,975	150,078
Total comprehensive income for the period		3,808	206	4,014
Income distribution during the period:				
Final income distribution (Year ended Dec. 31, 2009)	-	(3,500)	-	(3,500)
	-----	-----	-----	-----
At June 30, 2009	100,000	17,411	33,181	150,592
	=====	=====	=====	=====

(The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended December 31, 2009).

AMANAH HARTA TANAH PNB

UNAUDITED CONDENSED CASH FLOW STATEMENT FOR
THE SIX-MONTH ENDED JUNE 30, 2010

	6-Month Ended June 30, 2010 (RM'000)	6-Month Ended June 30, 2009 (RM'000)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Income before taxation	4,040	4,013
Adjustment for non-cash flow:-		
Non-cash items	(14)	(205)
Non-operating items	(123)	(205)
	-----	-----
Operating profit before working capital changes	3,903	3,603
Changes in working capital:		
Net change in current assets	(189)	(579)
Net change in current liabilities	560	284
	-----	-----
Cash generated from operations	4,274	3,308
Income taxes paid	-	-
	-----	-----
Net cash flows from operating activities	4,274	3,308
	-----	-----
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Real estates	1,003	-
Real estate/non-real estate-related asset	(646)	476
Interest received	82	101
	-----	-----
Net cash generated from investing activities	439	577
	-----	-----
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Payment of income distribution	(3,750)	(3,500)
Proceeds from revolving credit-i	934	-
	-----	-----
Net cash used in financing activities	(2,816)	(3,500)
	-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,897	385
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	8,274	9,208
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	10,171	9,593
	=====	=====

(The Unaudited Condensed Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended December 31, 2009).

AMANAH HARTA TANAH PNB

EXPLANATORY NOTES AS REQUIRED BY FRS 134 INTERIM FINANCIAL REPORTING
("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, 2009.

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and revised FRSs and IC Interpretations which are effective for financial year beginning on or after 1 January 2010. Except as discussed below, the new and revised FRSs and IC Interpretations do not give rise to any significant effects on the financial statements of the Trust.

i. FRS 8 Operating Segments ("FRS 8")

FRS 8, which replaces FRS 114 Segment Reporting, requires disclosure of information about the Trust's operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance, and replaces the requirement of the Trust to determine primary (business) and secondary (geographical) reporting segments.

For management purposes, the Trust has only one operating segment which is real estates. Adoption of the standard has resulted in changes in the way segment information is being presented. The Trust has adopted FRS 8 retrospectively.

ii. FRS 101 Presentation of Financial Statements (Revised) ("FRS 101")

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Trust has elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 was adopted retrospectively by the Trust.

iii. Amendments to FRS 132 Financial Instruments: Presentation and FRS 101 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation ("Amendments to FRS 132 and FRS 101")

Amendments to FRS 132 and FRS 101 became effective for annual periods beginning on or after 1 January 2010. The Amendments to FRS 132 requires entities to classify puttable financial instruments as equity if the instruments have

certain particular features and meet specific conditions. The amendments to FRS 101 require disclosure of certain information relating to puttable instruments classified as equity.

The Unit holders' Capital has the features and meets the conditions for classification as equity instruments. Consequently, upon adoption of the Amendments to FRS 132, Unit holders' Capital amounting to RM100,000,000 (31 December 2009: RM RM100,000,000) is reclassified from financial liabilities to equity. Distributions made by the Trust are recognised as income distributions in equity in the period in which they are declared.

iv. FRS 139: Financial Instruments – Recognition and Measurement (“FRS 139”)

FRS 139 establishes principles for recognising and measuring financial instruments. The Trust has adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this standard have been accounted for by restating the opening balances as at 1 January 2010 in the statement of assets and liabilities. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

a. Real estate/non-real estate related assets

Prior to 1 January 2010, the Trust's real estate/non-real estate related assets were carried at the last done market quoted on Bursa Malaysia as at the reporting date. The fair value adjustments on the real estate/non-real estate related assets were recognised in profit or loss.

Upon the adoption of FRS 139, the real estate/non-real estate related assets are classified on 1 January 2010 as financial instruments at fair value through profit and loss (“FVTPL”). The fair value is determined directly by reference to their published market bid price at the reporting date. The classification of real estate/non-real estate related assets as financial instruments at FVTPL did not materially affect the financial statements of the Trust.

A2. AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2009

The audit report of the financial statements for the preceding year ended December 31, 2009, 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 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

	Real estates portfolio Six-month Period Ended 30 June 2010 RM'000	Real estates portfolio Six-month Period Ended 30 June 2009 RM'000
Net rental income representing total segment operating income	4,793	4,494
	As at 30 June 2010 RM'000	Audited as at 31 December 2009 RM'000
Investments	142,287	143,290
Trade receivables	1,312	1,376
Other receivables	795	559
Total segment assets	<u>144,394</u>	<u>145,225</u>
Rental deposits	4,264	3,940
Other payables	409	545
Revolving credit-i	934	-
Total segment liabilities	<u>5,607</u>	<u>4,485</u>

Certain income and expenses of the Trust are not considered part of the performance of the operating segment. The following table provides a reconciliation between the net reportable segment income and operating profits:

	Six-month Period Ended 30 June 2010 RM'000	Six-month Period Ended 30 June 2009 RM'000
Net reportable segment operating income	4,793	4,494
Interest income	89	102
Other income	49	309
Expenses	<u>(891)</u>	<u>(892)</u>
Net income before tax	4,040	4,013
Taxation	-	-
Net income after tax	<u>4,040</u>	<u>4,013</u>

Certain assets and liabilities are not considered to be part of the net assets or liabilities of an individual segment. The following table provides a reconciliation between the net reportable segment assets and liabilities of the Trust .

	As at 30 June 2010 RM'000	Audited as at 31 December 2009 RM'000
Total segment assets	144,394	145,225
Deposits with financial institutions	8,539	8,202
Other assets	2,016	1,320
Other receivables	677	653
Cash and bank balances	1,632	72
Total assets of the Trust	<u>157,258</u>	<u>155,472</u>

	As at 30 June 2010 RM'000	Audited as at 31 December 2009 RM'000
Total segment liabilities	5,607	4,485
Other payables	68	67
Amount due to Manager	501	128
Total liabilities of the Trust	<u>6,176</u>	<u>4,680</u>

A9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The value of the real estates has been brought forward from the previous annual financial statements without amendment. During the quarter under review, AHP has capitalised an amount of RM0.457 million, being the upgrading and renovation costs of Plaza VADS incurred during the period. During the period, the disposal of two properties, 2^{1/2} storey shopoffice, Kompleks Shahab Perdana, Alor Setar, Kedah and 4-storey shophouse, Jalan Tun Ismail, Kuantan, Pahang, were completed on 16 June 2010.

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

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

<u>Investments</u>	<u>Unaudited as at 30.06.2010</u>		<u>Audited as at 31.12.2009</u>	
	(RM'000)	(%)	(RM'000)	(%)
Real estates	142,287	92.11	143,290	93.73
Real estate related-assets	83	0.05	48	0.03
Non-real estate related-assets	1,933	1.25	1,272	0.83
Deposits with financial institutions, cash and bank balances	10,171	6.59	8,274	5.41
	-----	-----	-----	-----
	154,474	100.00	152,884	100.00
	=====	=====	=====	=====

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, 2010, the Trust recorded total revenue of RM3.841 million, representing an increase of RM0.03 million or 0.79% from RM3.811 million achieved in the corresponding quarter in 2009.

Total expenditure for the quarter under review was RM1.748 million, representing a decrease of RM0.031 million or 1.74% from RM1.779 million recorded in the corresponding period in 2009. The decrease was mainly attributed by a decrease in property operating expenditure of RM0.031 million from RM1.095 million recorded in the corresponding period in 2009 to RM1.064 million.

For the quarter under review, the income before taxation recorded an increase of RM0.061 million or 3% from RM2.032 million recorded in the corresponding period last year to RM2.093 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 June 30, 2010 was RM2.093 million, representing an increase of RM0.147 million or 7.55% as compared with income before taxation of RM1.946 million recorded in the immediate preceding quarter ended March 31, 2010. The increase was mainly due to higher net rental income earned during the quarter under review of RM2.477 million as compared with RM2.316 million recorded in the immediate preceding quarter.

B3. 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.

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

	Current Quarter Ended <u>30.06.2010</u>	Immediate Preceding Quarter Ended <u>31.03.2009</u>
Authorised units ('000)	1,000,000	1,000,000
Number of units in issue ('000)	100,000 *	100,000
Net income attributable to unitholders (RM'000)	4,040	1,946
Earnings per unit (sen)	4.04	1.95
Net asset value (RM'000)	151,082	148,988
Net asset value per unit (RM)	1.5108	1.4899
Market price per unit (RM)	0.94	0.93

* 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.

B5. PROSPECTS

The world economy is expected to extend its recovery momentum through the second half of 2010. The continuing accommodative fiscal and monetary policy would help sustain growth in consumption, investment and international trade. As a result of stronger than expected expansion in the first half of the year, the International Monetary Fund (IMF) has raised its 2010 global growth forecast to 4.7% from 4.2%, and following a contraction of 0.6% in 2009.

The Malaysian economy will continue to benefit from the expanding world economy and demand. The Government is projecting a higher GDP growth of 6.0% in 2010 compared with its initial forecast of 4.5 - 5.5%. To a significant extent, the private sector is expected to drive growth given its healthy financial position and supported by Government stimulus programs and accommodative monetary policy. The timely launch of the 10th Malaysian Plan, should further support economic recovery in 2010 and a more stable growth in 2011.

On the back of improving domestic economy, we can also anticipate a better overall development of the domestic property market this year through 2011. Steadier business sentiment and investment activities will encourage demand for the purpose-built offices which would in turn stimulate increases in start-up and construction activities. Furthermore, the development of mega projects under the 10th Malaysia Plan such as the 1MDB's Sungai Besi Financial Park, Sungai Buloh Township and Mass Rapid Transit (MRT) will further boost the supply of office space.

In the long run, the Valuation and Property Service Department of the Ministry of Finance, is expecting a sum of 1.3 million square meters of private office buildings to be built within 2011 and 2013. Of which, 58% will be within the Kuala Lumpur region while 23% to be concentrated in the Golden Triangle. The flood of the new office stocks will

exert downward pressure on rents in the short to medium term, especially to existing old buildings. However, given the encouraging domestic and global economy activities, the demand for office space is expected to stabilize in the longer term as more investments are expected to come from both local and foreign investors, in line with the government's efforts to promote a high-income nation.

B6. STATUS OF CORPORATE PROPOSALS

- (i) There were no corporate proposals announced but not completed at the latest practicable date from the date of the issuance of this report, except for the disposal of the shop office in Perlis, which is pending approval from the Land Office.
- (ii) There were no proceeds raised from any corporate proposal.

B7. MATERIAL LITIGATION

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

B8. MAINTENANCE COST AND MAJOR CAPITAL EXPENDITURE

There were no major maintenance and capital expenditure costs incurred during the quarter under review except for the capital expenditure of RM0.457 million as disclosed in Note A9.

B9. SOFT COMMISSION

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

B10. TRANSACTIONS WITH STOCK BROKING COMPANIES

<u>Stock Broker</u>	<u>Value of Trade (RM)</u>	<u>Percentage of Total Trade (%)</u>	<u>Brokerage Fees (RM)</u>	<u>Percentage of Brokerage fees (%)</u>
Maybank Investment Bank Berhad *	222,200	49.82	500	49.80
Affin Investment Bank Berhad	223,800	50.18	504	50.20
	-----	-----	-----	-----
	446,000	100.00	1,004	100.00
	=====	=====	=====	=====

* The holding company of the stockbroking company is a substantial shareholder of the Manager

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

B11. COMPOSITION OF THE INVESTMENT PORTFOLIO

<u>Investments</u>	<u>Units</u>	<u>Total Cost</u> (RM'000)	<u>Net Book Value</u> (RM'000)	<u>Market Value</u> (RM'000)	<u>Percentage of Market Value Over Net Asset Value</u> (%)
Real estates					
- Commercial and office buildings	12	108,667	142,287	141,830	93.88
Real estate related- assets by sector:					
- Property	20,000	32	51	51	0.03
- REITs	25,000	32	32	32	0.02
Non-real estate related- assets by sector:					
- Consumer product	10,000	63	63	63	0.04
- Finance	48,250	324	365	365	0.24
- Infrastructure project	51,500	112	114	114	0.08
- Plantations	30,000	164	150	150	0.10
- Trading/services	195,300	1,243	1,241	1,241	0.82
Deposits with financial institutions, cash and bank balances		10,171	10,171	10,171	6.73
Total		120,808	154,474	154,017	

B12. 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 six-month period ended 30 June 2010.

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:-

	<u>Current Quarter</u>	<u>Year-to-date</u>
	RM'000	RM'000
Income before taxation	2,093	4,040
	=====	=====
Taxation at Malaysian statutory tax rate of 25%	524	1,010
Effect on income not subject to tax	(11)	(28)
Effect on expenses not deductible for tax purposes	17	34
Effects on income distribution exempted from tax at trust level	(517)	(990)
Utilisation of current year capital allowances	(13)	(26)
Tax expense for the period	-----	-----
	-	-
	=====	=====

B13. BORROWINGS AND DEBT SECURITIES

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

B14. INCOME DISTRIBUTION

(a) (i) An interim income distribution for the period from January 1, 2010, to June 30, 2010, has been declared.

(ii) Amount per unit – 3.60 sen (tax exempt at trust level)

(iii) Previous corresponding period – 3.25 sen (tax exempt at trust level)

(iv) Date payable – August 27, 2010

(v) Entitlement is determined on the basis of record of depositors as at August 18, 2010.

(b) The total income distribution for the current financial year-to-date – 3.60 sen a unit (tax exempt at trust level).

B15. 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 FRS 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 30 June 2010 and of its results and the cash flows for the quarter/period ended on that date and duly authorised for release by the Board of the Manager on 2 August 2010.

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
August 2, 2010