

AMANAH HARTA TANAH PNB

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 31.03.2016 (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2015 (Audited) RM'000
INVESTMENTS		
Real estate	210,955	210,890
Real estate-related assets	551	549
Non-real estate-related assets	1,572	1,663
Deposits with financial institutions	5,488	6,291
	<u>218,566</u>	<u>219,393</u>
OTHER ASSETS		
Equipment, furniture and fittings	15	16
Tax recoverable	601	601
Trade receivables	523	862
Other receivables	6,303	5,917
Cash and bank balances	295	65
	<u>7,737</u>	<u>7,461</u>
TOTAL ASSETS	<u>226,303</u>	<u>226,854</u>
LIABILITIES		
Financing	62,241	59,894
Rental deposits	4,633	4,576
Other payables	352	280
Amount due to Manager	133	144
Deferred tax liability	2,414	2,414
TOTAL LIABILITIES	<u>69,773</u>	<u>67,308</u>
FINANCED BY:-		
UNIT HOLDERS' FUND		
Unit holders' capital	100,000	100,000
Retained Earnings	56,530	59,546
TOTAL NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS	<u>156,530</u>	<u>159,546</u>
TOTAL UNIT HOLDERS' FUNDS AND LIABILITIES	<u>226,303</u>	<u>226,854</u>
NUMBER OF UNITS IN CIRCULATION	<u>100,000</u>	<u>100,000</u>
NET ASSET VALUE ("NAV")	<u>156,530</u>	<u>159,546</u>
NAV (EX-DISTRIBUTION) PER UNIT (RM)	<u>1.5653</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 31.03.2016 RM'000	Preceding Year Quarter 31.03.2015 RM'000	Current Year Quarter 31.03.2016 RM'000	Preceding Year Corresponding Quarter 31.03.2015 RM'000
TOTAL REVENUE	3,337	3,426	3,337	3,426
Gross rental income	3,232	3,272	3,232	3,272
Less: Assessment	(228)	(226)	(228)	(226)
Quit rent	(14)	(14)	(14)	(14)
Other property operating expenditure	(1,467)	(1,138)	(1,467)	(1,138)
Depreciation	(1)	(1)	(1)	(1)
Net rental income	1,522	1,893	1,522	1,893
Interest income from deposits with financial institutions	55	110	55	110
Net gain/(loss) on real estate/non-real estate-related asset:				
Realised gain on disposal	11	-	11	-
Unrealised gain/(loss) on valuation	21	28	21	28
Dividend income	18	16	18	16
	1,627	2,047	1,627	2,047
EXPENSES				
Manager's fee	391	380	391	380
Trustee's fee	33	33	33	33
Auditors' remuneration	3	3	3	3
Valuation fee	-	-	-	-
Professional fee	-	22	-	22
Printing, postage and general expenses	35	114	35	114
Financing costs	682	456	682	456
Feasibility study	-	5	-	5
	1,144	1,013	1,144	1,013
INCOME BEFORE TAXATION	483	1,034	483	1,034
TAXATION	-	-	-	-
INCOME AFTER TAXATION	483	1,034	483	1,034
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	483	1,034	483	1,034
NET INCOME AFTER TAXATION				
IS MADE UP OF THE FOLLOWING:				
- Realised	462	1,006	462	1,006
- Unrealised	21	28	21	28
	483	1,034	483	1,034
EARNINGS PER UNIT (SEN)	0.48	1.03	0.48	1.03

(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 MARCH 31, 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	-	462	21	483
Income distribution during the period:				
Final income distribution (Year ended Dec. 31, 2015)	-	(3,500)	-	(3,500)
At March 31, 2016	<u>100,000</u>	<u>10,550</u>	<u>45,980</u>	<u>156,530</u>
Preceding Year To-date				
At 1 January 2015	100,000	17,002	37,439	154,441
Total comprehensive income for the period	-	1,006	28	1,034
Income distribution during the period:				
Final income distribution (Year ended Dec. 31, 2014)	-	(3,700)	-	(3,700)
At March 31, 2015	<u>100,000</u>	<u>14,308</u>	<u>37,467</u>	<u>151,775</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 MARCH 31, 2016

	Current Year To-date 31.03.2016 (RM'000)	Preceding Year To-date 31.03.2015 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before taxation	483	1,034
Adjustments for non-cash flow:		
Non-cash items	(20)	(28)
Non-operating items	598	329
Operating profit before working capital changes	<u>1,061</u>	<u>1,335</u>
Changes in working capital		
Net change in current assets	(73)	(10)
Net change in current liabilities	117	(396)
Net cash generated from operating activities	<u>1,105</u>	<u>929</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Real estate	(64)	(5,787)
Real estate-related asset/non-real estate-related asset	140	(8)
Interest received	59	97
Net cash generated from investing activities	<u>135</u>	<u>(5,698)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of income distribution	(3,500)	(3,700)
Proceed from revolving credit facility	2,348	8,051
Financing costs paid	(661)	(737)
Net cash used in financing activities	<u>(1,813)</u>	<u>3,614</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(573)	(1,155)
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>5,783</u>	<u>9,002</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

An income distribution of RM3.50 million or 3.50 sen a unit (tax exempt at trust level) for the six-month period ended December 31, 2015, 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 cost of RM0.064 million, being the upgrading and renovation costs of Plaza VADS.

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	210,955	96.39	210,890	96.10
Real estate related-assets	551	0.25	549	0.25
Non-real estate-related assets	1,572	0.72	1,663	0.75
Deposits with financial institutions, cash and bank balances	5,783	2.64	6,356	2.90
	<u>218,861</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 March 31, 2016, the Trust recorded a total revenue of RM3.337 million, representing a decrease of RM0.089 million or 2.60% from RM3.426 million achieved in the corresponding quarter in 2015.

Total expenditure for the quarter under review was RM2.854 million, representing an increase of RM0.462 million or 19.31% from RM2.392 million recorded in the corresponding period in 2015.

For the quarter under review, the Trust recorded an income before taxation of RM0.483 million which represents a decrease of RM0.551 million or 53.29% from RM1.034 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 Preceding 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)	483	12,305
Earnings per unit (sen)	0.48	12.31
Net asset value (RM'000)	156,530	159,546
Net asset value per unit (RM)	1.5653	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

For Purpose Built Office ("PBO") segment, approximately 226,172 sq. m of new office space entered the market in the 1H of 2015, reflecting a meagre increase of 1.2% from the 2H of 2014. It was reported that 209,123 sq. m new supply of retail space was injected into the market in the 1H of 2015, recording a marginal 1.6% increase from the 2H of 2014.

On the demand side, the occupancy rate for privately-owned PBO in 1H of 2015 stood at 79.2%, easing slightly from 2H of 2014 of 80.2%. However, the opposite was recorded for the occupancy rate of the shopping complex segment. From the 81.3% occupancy rate recorded nationwide in 2H of 2014, the shopping complex occupancy had edged up slightly to 81.6% in 1H of 2015.

As at 1H of 2015, Kuala Lumpur accounted for 53.1% of the total privately-owned PBO space nationwide. The share of Kuala Lumpur's privately-owned PBO against the total national privately-owned PBO had increased modestly from 52.9% recorded in 2H of 2014. This would indicate a rising concentration of commercial activities in the capital.

The latest available statistics from the National Property Information Centre ("NAPIC") show that the average rental of PBO in Kuala Lumpur City Centre/Golden Triangle extending to areas such as Jalan Ampang, Jalan Tun Razak, and Jalan Pinang during 1H of 2015, had risen by 2.5% to RM61.68 per sq. m/month; representing an additional RM5.73 per sq. m/month; from RM60.17 per sq. m/month (RM5.59 per sq. f/month) recorded in 2H of 2014. On the same note, the rental of PBO Within City Centre ("WCC") which covers areas such as Jalan Bangsar, Wangsa Maju and Mid Valley for the same period increased by 0.8% to RM49.73 per sq. m/month (RM4.67 per sq. f/month). Notwithstanding the rising rental trend, the average PBO rental in suburban areas including Sri Petaling, Damansara and Cheras, dropped marginally to RM44.45 per sq. m/month or a decrease of RM4.13 per sq. f/month in 1H of 2015 from RM44.56 per sq. m (RM4.14 per sq. f/month) in 2H of 2014. Hence, reflecting a mixed picture for the rental market.

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 favourable 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 RM0.064 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 RM32,500 (2015: 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	6	162,674	210,955	134.77
Real estate related-assets	353,354	518	551	0.35
Non-real estate related-assets	202,295	1,519	1,572	1.00
Deposits with financial institutions, cash and bank balances		<u>5,783</u>	<u>5,783</u>	3.69
Total		<u><u>170,494</u></u>	<u><u>218,861</u></u>	139.82

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>483</u>	<u>483</u>
Taxation at Malaysian statutory tax rate of 24%	116	116
Effect on income not subject to tax	(25)	(25)
Effect on expenses not deductible for tax purposes	15	15
Effect on income distribution exempted from tax at trust level	(106)	(106)
Utilisation of current year capital allowances	<u>-</u>	<u>-</u>
Tax expense for the period	<u><u>-</u></u>	<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

No income distribution has been declared for the quarter ended March 31, 2016.

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 March 31, 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 May 3, 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)