

**AL-‘AQAR KPJ REIT**  
**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER**  
**ENDED 30 JUNE 2009**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2009	Preceding Year Corresponding Quarter 30.6.2008	Current Year To date 30.6.2009	Preceding Year To Date 30.6.2008
	RM	RM	RM	RM
<b>Gross Revenue</b>	14,302,543	12,512,100	26,998,537	22,754,460
Property expenses	(517,143)	(464,520)	(1,510,702)	(1,229,352)
Net rental income	13,785,400	12,047,580	25,487,835	21,525,108
Investment revenue	54,607	197,570	194,278	247,440
Total income	13,840,007	12,245,150	25,682,113	21,772,548
Manager’s fees	263,091	225,882	377,047	314,411
Trustee’s fees	49,306	45,176	72,072	62,882
Accretion of long-term borrowings	167,053	250,125	211,015	982,448
Administration expenses	98,426	58,085	590,923	82,782
Acquisition expenses	747,296	113,134	747,296	545,329
Profit sharing expenses on Financing	3,502,527	2,755,375	7,226,559	5,214,222
<b>Income before tax</b>	<b>9,012,308</b>	<b>8,797,373</b>	<b>16,457,201</b>	<b>14,570,474</b>
Tax expense	-	-	-	-
<b>Net income for the period</b>	<b>9,012,308</b>	<b>8,797,373</b>	<b>16,457,201</b>	<b>14,570,474</b>
<b>Net income for the period is made up as follows:</b>				
Realised	9,012,308	8,797,373	16,457,201	14,570,474
Unrealised	-	-	-	-
	9,012,308	8,797,373	16,457,201	14,570,474
Earnings per unit (sen)	1.83	2.05	3.35	3.40
Provision for income Distribution	-	17,148,840	-	17,148,840
Distribution per unit (sen)	1.83	4.00	3.35	4.00

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008)

**AL-‘AQAR KPJ REIT**  
**CONDENSED CONSOLIDATED BALANCE SHEET FOR THE QUARTER ENDED**  
**30 JUNE 2009**

	<b>AS AT END OF CURRENT QUARTER 30.6.2009 (Unaudited)  RM</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2008 (Audited)  RM</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Investment properties	840,150,000	663,450,000
	<u>840,150,000</u>	<u>663,450,000</u>
<b>Current Assets</b>		
Receivables and Prepaid expenses	2,632,584	1,151,688
Bank balances	34,531,837	39,172,397
	<u>37,164,421</u>	<u>40,324,085</u>
<b>TOTAL ASSETS</b>	<u>877,314,421</u>	<u>703,774,085</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Other payables and accrued expenses	10,815,533	10,193,797
Provision for income distribution	2,000	17,579,561
	<u>10,817,533</u>	<u>27,773,358</u>
<b>Non-Current Liability</b>		
Long-term borrowings	355,275,116	234,279,427
<b>TOTAL LIABILITIES</b>	<u>366,092,649</u>	<u>262,052,785</u>
<b>NET ASSETS VALUE</b>	<u>511,221,772</u>	<u>441,721,300</u>
<b>UNITHOLDERS' FUNDS</b>		
Unitholders' capital	477,288,225	417,814,139
Undistributed income	33,933,547	23,907,161
<b>TOTAL UNITHOLDERS' FUNDS</b>	<u>511,221,772</u>	<u>441,721,300</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>		
	<u>491,815,000</u>	<u>428,721,000</u>
<b>NET ASSETS VALUE PER UNIT</b>	<u>1.04</u>	<u>1.03</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008).

**AL-'AQAR KPJ REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS**  
**VALUE FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009**

	Unit Holders' Capital RM	Undistributed Income RM	Total RM
<b>Balance as of January 1, 2008</b>	333,930,117	14,779,821	348,709,938
<b>Operations for the year:</b>			
Net income for the year	-	43,853,741	43,853,741
Proposed Dividend		(34,726,401)	(34,726,401)
Increase in net assets resulting from Unitholders' transactions	<u>83,884,022</u>	<u>-</u>	<u>83,884,022</u>
<b>Balance as of December 31, 2008</b>	<u>417,814,139</u>	<u>23,907,161</u>	<u>441,721,300</u>
<b>Balance as of January 1, 2009</b>	417,814,139	23,907,161	441,721,300
<b>Operations for the year:</b>			
Net income for the period	-	16,457,201	16,457,201
Proposed Dividend	-	(6,430,815)	(6,430,815)
Decrease in net assets resulting From Unit holders' transactions	<u>59,474,086</u>	<u>-</u>	<u>59,474,086</u>
<b>Balance as of June 30, 2009</b>	<u>477,288,225</u>	<u>33,933,547</u>	<u>511,221,772</u>

(The Condensed Consolidated Statement of changes in net asset value should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008).

**AL-'AQAR KPJ REIT**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED 30 JUNE 2009**

	<b>30.6.2009</b>	<b>30.6.2008</b>
	<b>RM</b>	<b>RM</b>
<b>Cash Flow From/(Used In) Operating Activities</b>		
Net profit for the period	16,457,201	14,570,474
Adjustments for:		
Profit sharing expenses on financing	7,226,559	5,214,222
Accretion of long-term borrowings	211,015	982,448
Investment revenue	(194,278)	(247,440)
Operating Profit Before Working Capital Changes	23,700,497	20,519,704
Increase in other receivables and prepaid expenses (Decrease)/Increase in other payables and accrued Expenses	(1,480,896)	(1,507,680)
	621,736	9,547,991
Net Cash From Operating Activities	22,841,337	28,560,015
<b>Cash Flow From/(Used In) Investing Activities</b>		
Profit sharing income on investment received	194,278	247,440
Purchase of investment properties	(176,700,000)	(170,512,507)
Net Cash Used In Investing Activities	(176,505,722)	(170,265,067)
<b>Cash Flow From/(Used In) Financing Activities</b>		
Dividend Paid	(24,008,376)	(12,512,000)
Proceeds from issuance of Sukuk	-	234,191,503
Proceeds from issuance of Ijarah Muntahiah Bitamlik	120,784,674	-
Repayment of Term loan	-	(133,420,052)
Profit sharing expenses on financing paid	(7,226,559)	(5,214,222)
Proceeds from issue of Units	59,939,300	84,284,950
Listing expenses paid	(465,214)	(400,928)
Net Cash Used In Financing Activities	149,023,825	166,929,251
<b>Net (Decrease)/ Increase In Cash And Cash Equivalent</b>	<b>(4,640,560)</b>	<b>25,224,199</b>
<b>Cash And Cash Equivalent At Beginning Of Period</b>	<b>39,172,397</b>	<b>13,440,240</b>
<b>Cash And Cash Equivalent At End Of Period</b>	<b>34,531,837</b>	<b>38,664,439</b>

(The Condensed Consolidated Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008).

**AL-'AQAR KPJ REIT**

**Quarterly Unaudited Financial Results for the 2nd Quarter ended 30 June 2009**

**NOTES TO THE QUARTERLY REPORT**

**A. DISCLOSURE REQUIREMENTS AS PER FINANCIAL REPORTING STANDARDS ("FRS") 134 (FORMERLY KNOWN AS MALAYSIAN ACCOUNTING STANDARDS BOARD ("MASB") 26)**

**A1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements of Al-'Aqar KPJ REIT have been prepared in accordance with the provisions of the Deed and the applicable Malaysian Accounting Standards Board approved accounting standards for entities other than private entities in Malaysia modified by the Securities Commission's Guidelines on Real Estate Investment Trust.

The accounting policies and methods of computation used in the preparation of the quarterly financial report are consistent with those adopted in preparation of the proforma financial information presented in the Prospectus of Al-'Aqar KPJ REIT dated 24 July 2006.

**A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report of the financial statements for the preceding year, for the financial year ended 31 December 2008 was not qualified.

**A3. SEASONALITY OR CYCLICALITY OF OPERATIONS**

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

**A4. UNUSUAL ITEMS DUE TO NATURE, SIZE OF INCIDENCE**

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

**A5. CHANGES IN ACCOUNTING ESTIMATES**

This is not applicable as no estimates were previously reported.

**A6. DEBT AND EQUITY SECURITIES**

In the current quarter, there was an issuance of Ijarah Muntahiah Bitamlik financing facility to finance 3<sup>rd</sup> acquisition exercise which comprises the following tranches as at June 30, 2009:

<b>Tranche</b>	<b>Amount RM</b>	<b>Profit Rate (%)</b>
1	102,000,000	4.75
2	21,154,822	4.80
3	584,033	4.80
<b>Total</b>	<b>123,738,855</b>	

There was an issuance of RM235,000,000 in nominal value Islamic Commercial Paper (ICP) under Sukuk Ijarah Programme facility and repayment of Bai' Bithamin Ajil Financing facility amounting RM134,000,000. The maturity of Sukuk Ijarah facility will be on 2013 and comprises the following tranches :

<b>Tranche</b>	<b>Amount RM</b>	<b>Profit Rate (%)</b>
Class A Islamic Medium Term Notes	155,000,000	4.78
Class B Islamic Medium Term Notes	25,000,000	5.05
Class C Islamic Medium Term Notes	55,000,000	4.28
<b>Total</b>	<b>235,000,000</b>	

#### A7. INCOME DISTRIBUTION

Income distribution of interim dividend 2009 declared at 1.50 sen per unit amounting to RM 6,430,815 and has been paid in April 2009.

#### A8. SEGMENTAL REPORTING

No segment information is prepared as the Trust's activities are predominantly in one industry segment.

#### A9. VALUATIONS OF PROPERTY

For the quarter under review, there were no changes in the values of the investment properties held.

#### A10. MATERIAL EVENTS

The acquisition of 5 properties, namely, Perdana Specialist Hospital Building, Kuantan Specialist Hospital Building, Sentosa Medical Centre Building, KPJ Kajang Specialist Hospital Building and Kedah Medical Centre Building were successfully completed on 5 March 2008.

**A11. CHANGES IN THE COMPOSITION OF THE TRUST**

There were changes in the composition of the Trust and the fund size increased from 428,721,000 units to 491,815,000 units in the current quarter.

**A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

**B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.22 OF BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

**B1. REVIEW OF PERFORMANCE OF THE TRUST**

For the current period ended June 30, 2009, Al-'Aqar KPJ REIT recorded a total revenue of RM13,840,007 inclusive of income from placement in Islamic money market of RM54,607.

Total expenditure for the current period ended June 30, 2009 was RM5,344,842 of which RM517,143 was attributable to property expenses. For the period under review, income before taxation available for distribution amounted to RM9,012,308.

The total asset of Al-'Aqar KPJ REIT will achieve more than RM 1 billion after completion of 3<sup>rd</sup> acquisition and being the largest Islamic REIT in Malaysia.

**B2. MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO IMMEDIATE PRECEEDING QUARTER**

There were no material changes in the income before taxation for the quarter under review.

**B3. PROSPECTS**

Al-'Aqar KPJ REIT, after considering the strength of the Healthcare real estate portfolio invested, will enjoy 100% rate of occupancy and collections. The Fund has completed the second (2<sup>nd</sup>) acquisition of 5 new hospitals and has partially completed the third (3<sup>rd</sup>) acquisition bringing the total number of hospitals to 17 with a total value of RM840,150,00 on 30 June 2009. These hospitals are having similar leasing arrangement as per the current hospitals. The arrangement will enhance rental income in future years which will provide favorable returns to the unitholders.

On 19<sup>th</sup> August, 2008 an announcement was made to acquire additional 9 assets with total value of RM383,400,000. The proposed assets are Seremban Specialist Hospital Building, Taiping Medical Centre Building, Kota Kinabalu Specialist Hospital Building, Bukit Mertajam Specialist Hospital, KPJ Tawakal Hospital Building, KPJ Penang Specialist Hospital Building, International College of Nursing and Health Sciences (PNC), Tawakal Hospital existing Building and Hotel Selesa (JB) and Metropolis Building. These new hospitals will have similar leasing arrangement and will increase the value of the Al-'Aqar KPJ REIT.

**B4. VARIANCES OF ACTUAL PROFIT FROM FORECASTED/GUARANTEED PROFIT**

This is not applicable as no profit guarantee was issued for this financial quarter.

**B5. TAXATION**

The breakdown of the tax components is as follows:-

	Current Quarter RM	Preceding Quarter RM
Estimated tax payable	-	-

A numerical reconciliation of income tax expense at the applicable statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Year to date RM
Income before tax	16,457,201
Tax at statutory tax rate of 25%	
Tax effects of:	4,114,300
Income distributed exempted from tax at trust level	(4,114,300)
	-

**B6. GAIN/ (LOSS) ON SALE OF UNQUOTED INVESTMENT AND/OR PROPERTIES**

There was no disposal of investment in unquoted securities during the current quarter and financial year to date.



**B7. QUOTED SECURITIES**

There was no purchase or disposal of investment in quoted securities during the current quarter and financial year to date.

**B8. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED**

On 19<sup>th</sup> August, 2008 an announcement was made to acquire additional 9 assets with total value of RM383,400,000. The proposed assets are Seremban Specialist Hospital Building, Taiping Medical Centre Building, Kota Kinabalu Specialist Hospital Building, Bukit Mertajam Specialist Hospital, KPJ Tawakal Hospital Building, KPJ Penang Specialist Hospital Building, International College of Nursing and Health Sciences (PNC), Tawakal Hospital existing Building and Hotel Selesa (JB) and Metropolis Building. These new hospitals will have similar leasing arrangement and will increase the value of the Al-'Aqar KPJ REIT. This proposal is yet to be completed.

**B9. LONG –TERM BORROWINGS**

	<b>Current Quarter</b>	<b>Preceding Financial Year End RM</b>
Sukuk Al-Ijarah (Islamic Commercial Paper)	234,367,351	234,279,427
Ijarah Muntahiah Bitamlik	<u>120,907,765</u>	<u>-</u>

**B10. FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK**

No off balance sheet financial instruments were utilized for the current quarter.

**B11. MATERIAL LITIGATION**

There was no material litigation as at the end of the current quarter.