

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2009 RM	Preceding Year Corresponding Quarter 30.09.2008 RM	Current Year To date 30.09.2009 RM	Preceding Year To Date 30.09.2008 RM
Gross Revenue	15,817,914	12,512,100	42,816,451	35,266,560
Property expenses	(1,172,933)	(801,560)	(2,683,635)	(2,030,912)
Net rental income	14,644,981	11,710,540	40,132,816	33,235,648
Investment revenue	64,740	184,314	259,018	431,754
Total income	14,709,721	11,894,854	40,391,834	33,667,402
Manager’s fees	217,573	166,760	594,620	481,172
Trustee’s fees	37,881	33,352	109,953	96,234
Accretion of long-term borrowings	167,053	43,962	378,068	1,232,573
Administration expenses	85,565	47,351	806,637	129,973
Acquisition expenses	94,500	-	841,796	545,329
Profit sharing expenses on Financing	3,947,149	2,961,538	11,173,708	7,969,597
Income before tax	10,160,000	8,641,891	26,487,052	23,212,524
Tax expense	-	-	-	-
Net income for the period	10,160,000	8,641,891	26,487,052	23,212,524
Net income for the period is made up as follows:				
Realised	10,160,000	8,641,891	26,487,052	23,212,524
Unrealised	-	-	-	-
	10,160,000	8,641,891	26,487,052	23,212,524
Earnings per unit (sen)	1.96	2.02	5.11	5.41
Provision for income Distribution	13,770,820	-	20,201,635	17,148,840
Distribution per unit (sen)	2.80	-	4.30	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 SEPTEMBER 2009

	AS AT END OF CURRENT QUARTER 30.09.2009 (Unaudited) RM	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2008 (Audited) RM
ASSETS		
Non-Current Assets		
Investment properties	943,850,000	663,450,000
	<u>943,850,000</u>	<u>663,450,000</u>
Current Assets		
Receivables and Prepaid expenses	6,889,500	1,151,688
Bank balances	31,402,202	39,172,397
	<u>38,291,702</u>	<u>40,324,085</u>
TOTAL ASSETS	<u>982,141,702</u>	<u>703,774,085</u>
LIABILITIES		
Current Liabilities		
Other payables and accrued expenses	38,618,026	10,193,797
Provision for income distribution	2,000	17,579,561
	<u>38,620,026</u>	<u>27,773,358</u>
Non-Current Liability		
Long-term borrowings	410,819,279	234,279,427
TOTAL LIABILITIES	<u>449,439,305</u>	<u>262,052,785</u>
NET ASSETS VALUE	<u>532,702,397</u>	<u>441,721,300</u>
UNITHOLDERS' FUNDS		
Unitholders' capital	502,509,819	417,814,139
Undistributed income	30,192,578	23,907,161
TOTAL UNITHOLDERS' FUNDS	<u>532,702,397</u>	<u>441,721,300</u>
NUMBER OF UNITS IN CIRCULATION	<u>518,367,000</u>	<u>428,721,000</u>
NET ASSETS VALUE PER UNIT	<u>1.03</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 SEPTEMBER 2009

	Unit Holders' Capital RM	Undistributed Income RM	Total RM
Balance as of January 1, 2008	333,930,117	14,779,821	348,709,938
Operations for the year:			
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>
Balance as of December 31, 2008	<u>417,814,139</u>	<u>23,907,161</u>	<u>441,721,300</u>
Balance as of January 1, 2009	417,814,139	23,907,161	441,721,300
Operations for the year:			
Net income for the period	-	26,487,052	26,487,052
Proposed Dividend	-	(20,201,635)	(20,201,635)
Decrease in net assets resulting From Unit holders' transactions	<u>84,695,680</u>	<u>-</u>	<u>84,695,680</u>
Balance as of September 30, 2009	<u>502,509,819</u>	<u>30,192,578</u>	<u>532,702,397</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 SEPTEMBER 2009

	30.09.2009	30.09.2008
	RM	RM
Cash Flow From/(Used In) Operating Activities		
Net profit for the period	26,487,052	23,212,524
Adjustments for:		
Profit sharing expenses on financing	11,173,708	7,969,597
Accretion of long-term borrowings	378,068	(1,232,573)
Investment revenue	(259,018)	(431,754)
	<hr/>	<hr/>
Operating Profit Before Working Capital Changes	37,779,810	29,517,794
Increase in other receivables and prepaid expenses (Decrease)/Increase in other payables and accrued Expenses	(5,737,812)	683,715
	<hr/>	<hr/>
Net Cash From Operating Activities	60,466,227	37,021,965
Cash Flow From/(Used In) Investing Activities		
Profit sharing income on investment received	259,018	431,754
Purchase of investment properties	(280,400,000)	(170,512,507)
	<hr/>	<hr/>
Net Cash Used In Investing Activities	(280,140,982)	(170,080,753)
Cash Flow From/(Used In) Financing Activities		
Dividend Paid	(37,779,196)	(29,660,840)
Proceeds from issuance of Sukuk	-	234,235,465
Proceeds from issuance of Ijarah Muntahiah Bitamlik	176,161,784	-
Repayment of Term loan	-	(133,420,052)
Profit sharing expenses on financing paid	(11,173,708)	(7,969,597)
Proceeds from issue of Units	85,163,700	84,284,950
Listing expenses paid	(468,020)	(400,928)
	<hr/>	<hr/>
Net Cash Used In Financing Activities	211,904,560	147,068,998
Net (Decrease)/ Increase In Cash And Cash Equivalent	(7,770,195)	14,010,210
Cash And Cash Equivalent At Beginning Of Period	<hr/>	<hr/>
	39,172,397	13,440,240
Cash And Cash Equivalent At End Of Period	<hr/>	<hr/>
	31,402,202	27,450,450

(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 3rd Quarter ended 30 September 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 3rd acquisition exercise which comprises the following tranches as at September 30, 2009:

Tranche	Amount RM	Portion	Profit Rate (%)
1	102,000,000	Fixed	4.75
2	21,154,822	Fixed	4.80
3	584,033	Fixed	4.80
4	1,261,145	Fixed	4.80
5	48,861,572	Floating	4.20
Total	173,861,572		

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 :

Tranche	Amount RM	Profit Rate (%)
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
Total	235,000,000	

A7. INCOME DISTRIBUTION

Income distribution of 2nd interim dividend 2009 declared at 2.80 sen per unit amounting to RM 13,770,820 and was paid in September 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 491,815,000 units to 518,367,000 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 September 30, 2009, Al-'Aqar KPJ REIT recorded a total revenue of RM14,709,721 inclusive of income from placement in Islamic money market of RM64,740.

Total expenditure for the current period ended September 30, 2009 was RM5,722,654 of which RM1,172,933 was attributable to property expenses. For the period under review, income before taxation available for distribution amounted to RM10,160,000.

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

B2. MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO IMMEDIATE PRECEDING 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 (2nd) acquisition of 5 new hospitals and has partially completed the third (3rd) acquisition bringing the total number of hospitals to 19 with a total value of RM943,850,000 on 30 September 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.

The fund's performance for the remainder of the year is expected to be satisfactory with the existing investment portfolio and consistent acquisition in order to maintain its performance.

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	Preceding Quarter
	RM	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	<u>26,487,052</u>
Tax at statutory tax rate of 25%	
Tax effects of:	6,621,763
Income distributed exempted from tax at trust level	<u>(6,621,763)</u>

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 19th 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 has been completed except KPJ Tawakal Hospital Building.

B9. LONG-TERM BORROWINGS

	Current Quarter	Preceding Financial Year End RM
Sukuk Al-Ijarah (Islamic Commercial Paper)	234,367,351	234,279,427
Ijarah Muntahiah Bitamlik	<u>176,451,928</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.