

**AL-‘AQAR KPJ REIT**  
**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER**  
**ENDED 31 DECEMBER 2009**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2009	Preceding Year Corresponding Quarter 31.12.2008	Current Year To date 31.12.2009	Preceding Year To Date 31.12.2008
	RM	RM	RM	RM
<b>Gross Revenue</b>	17,763,514	12,512,100	60,579,965	47,778,660
Property expenses	(800,092)	(586,115)	(3,483,728)	(2,617,061)
Net rental income	16,963,422	11,925,985	57,096,237	45,161,599
Investment revenue	337,481	286,870	596,499	719,710
Other Income	-	26,500	-	26,500
Gain in fair value adjustments	16,959,360	14,187,493	16,959,360	14,187,493
<b>Total income</b>	<b>34,260,263</b>	<b>26,426,848</b>	<b>74,652,096</b>	<b>60,095,302</b>
Manager’s fees	251,409	167,613	846,029	647,584
Trustee’s fees	40,396	33,523	150,349	129,517
Auditors’ fee	30,000	20,000	35,000	35,000
Tax agent’s fee	27,431	4,500	33,266	6,300
Annual financing fee	-	(53,440)	-	(53,440)
Accretion of long-term borrowings	228,598	43,962	606,666	738,616
Registrar fee	27,196	12,660	27,196	17,341
Administration expenses	362,478	23,752	1,016,501	138,573
Acquisition expenses	-	317,686	853,424	863,015
Profit sharing expenses on Financing	5,662,046	2,961,538	16,835,754	11,469,055
<b>Income before tax</b>	<b>27,630,709</b>	<b>22,895,054</b>	<b>54,247,911</b>	<b>46,103,741</b>
<b>Tax expense</b>	<b>(551,127)</b>	<b>-</b>	<b>(551,127)</b>	<b>-</b>
<b>Net income for the period</b>	<b>27,079,582</b>	<b>22,895,054</b>	<b>53,696,784</b>	<b>46,103,741</b>
<b>Net income for the period is made up as follows:</b>				
Realised	10,120,222	8,707,561	36,737,424	31,916,248
Unrealised	16,959,360	14,187,493	16,959,360	14,187,493
	<b>27,079,582</b>	<b>22,895,054</b>	<b>53,696,784</b>	<b>46,103,741</b>
Earnings per unit (sen)	5.22	5.34	10.36	10.75
Provision for income Distribution	19,697,946	17,577,561	39,658,557	34,726,401
Distribution per unit (sen)	3.80	4.10	7.65	8.10

(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**  
**31 DECEMBER 2009**

	<b>AS AT END OF CURRENT QUARTER 31.12.2009 (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	961,500,000	663,450,000
	<u>961,500,000</u>	<u>663,450,000</u>
<b>Current Assets</b>		
Receivables and Prepaid expenses	2,302,269	1,151,688
Bank balances	47,509,677	39,172,397
	<u>49,811,946</u>	<u>40,324,085</u>
<b>TOTAL ASSETS</b>	<u>1,011,311,946</u>	<u>703,774,085</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Other payables and accrued expenses	14,324,525	10,193,797
Provision for income distribution	19,699,945	17,579,561
Tax liabilities	420,977	-
	<u>34,445,447</u>	<u>27,773,358</u>
<b>Non-Current Liability</b>		
Long-term borrowings	436,411,292	234,279,427
<b>TOTAL LIABILITIES</b>	<u>470,856,739</u>	<u>262,052,785</u>
<b>NET ASSETS VALUE</b>	<u>540,455,207</u>	<u>441,721,300</u>
<b>UNITHOLDERS' FUNDS</b>		
Unitholders' capital	502,509,819	417,814,139
Undistributed income	37,945,388	23,907,161
<b>TOTAL UNITHOLDERS' FUNDS</b>	<u>540,455,207</u>	<u>441,721,300</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	<u>518,367,000</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 31 DECEMBER 2009**

	<b>Unit Holders’ Capital RM</b>	<b>Undistributed Income RM</b>	<b>Total RM</b>
<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	-	53,696,784	53,696,784
Proposed Dividend	-	(39,658,557)	(39,658,557)
Decrease in net assets resulting From Unit holders’ transactions	<u>84,695,680</u>	<u>-</u>	<u>84,695,680</u>
<b>Balance as of December 31, 2009</b>	<u>502,509,819</u>	<u>37,945,388</u>	<u>540,455,207</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 31 DECEMBER 2009**

	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>RM</b>	<b>RM</b>
<b>Cash Flow From/(Used In) Operating Activities</b>		
Net profit for the period	54,247,911	43,853,741
Adjustments for:		
Profit sharing expenses on financing	16,835,754	11,469,055
Accretion of long-term borrowings	606,666	738,616
Investment revenue	(596,499)	(719,710)
Gain on fair value adjustment	(16,959,360)	(11,937,493)
	<hr/>	<hr/>
Operating Profit Before Working Capital Changes	54,134,472	43,404,209
Increase in trade receivables	(1,054,783)	
Increase in other receivables and prepaid expenses	(95,798)	(666,892)
Increase in other payables and accrued Expenses	4,130,728	9,912,751
	<hr/>	<hr/>
Cash Generated From Operations	57,114,619	52,650,068
Tax paid	(130,150)	-
	<hr/>	<hr/>
Net Cash From Operating Activities	56,984,469	52,650,068
<b>Cash Flow From/(Used In) Investing Activities</b>		
Profit sharing income on investment received	596,499	719,710
Purchase of investment properties	(195,926,940)	(86,227,557)
	<hr/>	<hr/>
Net Cash Used In Investing Activities	(195,330,441)	(85,507,847)
<b>Cash Flow From/(Used In) Financing Activities</b>		
Dividend Paid	(37,538,173)	(29,660,840)
Proceeds from issuance of Ijarah Muntahiah Bitamlik	201,525,199	234,120,759
Repayment of Term loan	-	(134,000,000)
Profit sharing expenses on financing paid	(16,835,754)	(11,469,055)
Listing expenses paid	(468,020)	(400,928)
	<hr/>	<hr/>
Net Cash Used In Financing Activities	146,683,252	58,589,936
<b>Net (Decrease)/ Increase In Cash And Cash Equivalent</b>	8,337,280	25,732,157
<b>Cash And Cash Equivalent At Beginning Of Period</b>	39,172,397	13,440,240
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<b>Cash And Cash Equivalent At End Of Period</b>	47,509,677	39,172,397

(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 4th Quarter ended 31 December 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 31 December 2009:

<b>Tranche</b>	<b>Amount RM</b>	<b>Portion</b>	<b>Profit Rate (%)</b>
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	4.45
6	30,617,807	Floating	4.45
<b>Total</b>	<b>204,479,379</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

The interim dividend 2009 declared at 3.80 sen per unit amounting to RM 19,697,946 and was announced on 4 February 2010.

#### 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 quarter ended 31 December 2009, Al-'Aqar KPJ REIT recorded a total revenue of RM34,260,263 inclusive of income from placement in Islamic money market of RM337,481.

Total expenditure for the current period ended 31 December 2009 was RM7,429,646 of which RM800,092 was attributable to property expenses. For the period under review, income after taxation available for distribution amounted to RM27,079,582.

The total asset of Al-'Aqar KPJ REIT which currently exceeds RM1 billion will increase further subsequent to the completion of the 3<sup>rd</sup> acquisition and will remain the largest Islamic REIT in Malaysia.

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

For the current quarter ended 31 December 2009, Al-'Aqar KPJ REIT has recorded a total net income of RM27,079,582 which is mainly due to fair value adjustment of investment properties of RM16,959,360.

**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 19 with a total value of RM961,500,000 on 31 December 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:-

	<b>Current Quarter</b>	<b>Preceding Quarter</b>
	<b>RM</b>	<b>RM</b>
Estimated tax payable	<u>551,127</u>	<u>-</u>

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:

	<b>Year to date</b>
	<b>RM</b>
Income before tax	<u>54,247,911</u>
Tax at statutory tax rate of 25%	
Tax effects of:	13,561,978
Income distributed exempted from tax at trust level	(13,954,339)
Non deductible expenses	813,338
Underprovision in prior years	<u>130,150</u>
	<u>551,127</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 19 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**

	<b>Current Quarter</b>	<b>Preceding Financial Year End RM</b>
Sukuk Al-Ijarah (Islamic Commercial Paper)	234,455,275	234,279,427
Ijarah Muntahiah Bitamlik	<u>201,956,017</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.