

AL-'AQAR KPJ REIT
CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER
ENDED 31 MARCH 2010

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2010	Preceding Year Corresponding Quarter 31.3.2009	Current Year To date 31.3.2010	Preceding Year To Date 31.3.2009
	RM	RM	RM	RM
Gross Revenue	17,214,354	12,695,994	17,214,354	12,695,994
Property expenses	(1,450,508)	(1,282,397)	(1,450,508)	(1,282,397)
Net rental income	15,763,846	11,413,597	15,763,846	11,413,597
Investment revenue	126,233	139,670	126,233	139,670
Other Income	82,206	-	82,206	-
Total income	15,972,285	11,553,267	15,972,285	11,553,267
Manager's fees	249,925	164,876	249,925	164,876
Trustee's fees	40,750	34,166	40,750	34,166
Accretion of long-term borrowings	312,262	600,194	312,262	600,194
Administration expenses	488,277	714,814	488,277	714,814
Acquisition expenses	221,640	190,252	221,640	190,252
Profit sharing expenses on Financing	5,094,446	2,755,375	5,094,446	2,755,375
Income before tax	9,564,985	7,093,590	9,564,985	7,093,590
Tax expense	(17,499)	-	(17,499)	-
Net income for the period	9,547,486	7,093,590	9,547,486	7,093,590
Net income for the period is made up as follows:				
Realised	9,547,486	7,093,590	9,547,486	7,093,590
Unrealised	-	-	-	-
	9,547,486	7,093,590	9,547,486	7,093,590
Earnings per unit (sen)	1.84	1.65	1.84	1.65
Provision for income Distribution	-	6,430,815	-	6,430,815
Distribution per unit (sen)	-	1.50	-	1.50

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009)

AL-‘AQAR KPJ REIT
CONDENSED CONSOLIDATED BALANCE SHEET FOR THE QUARTER ENDED
31 MARCH 2010

	AS AT END OF CURRENT QUARTER 31.3.2010	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2009 (Audited)
	RM	RM
ASSETS		
Non-Current Assets		
Investment properties	961,500,000	961,500,000
	<u>961,500,000</u>	<u>961,500,000</u>
Current Assets		
Receivables and Prepaid expenses	6,652,108	2,302,269
Bank balances	33,358,665	47,509,677
	<u>40,010,773</u>	<u>49,811,946</u>
TOTAL ASSETS	<u>1,001,510,773</u>	<u>1,011,311,946</u>
LIABILITIES		
Current Liabilities		
Other payables and accrued expenses	14,673,811	14,324,525
Provision for income distribution	2,000	19,699,945
Tax liabilities	420,977	420,977
	<u>15,096,788</u>	<u>34,445,447</u>
Non-Current Liability		
Long-term borrowings	436,411,292	436,411,292
TOTAL LIABILITIES	<u>451,508,080</u>	<u>470,856,739</u>
NET ASSETS VALUE	<u>550,002,693</u>	<u>540,455,207</u>
UNITHOLDERS' FUNDS		
Unitholders' capital	502,509,819	502,509,819
Undistributed income	47,492,874	37,945,388
TOTAL UNITHOLDERS' FUNDS	<u>550,002,693</u>	<u>540,455,207</u>
NUMBER OF UNITS IN CIRCULATION	<u>518,367,000</u>	<u>518,367,000</u>
NET ASSETS VALUE PER UNIT	<u>1.06</u>	<u>1.04</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009).

AL-‘AQAR KPJ REIT
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
VALUE FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010

	Unit Holders’ Capital RM	Undistributed Income RM	Total RM
Balance as of January 1, 2009	417,814,139	23,907,161	441,721,300
Operations for the year:			
Net income for the year	-	53,696,784	53,696,784
Proposed Dividend		(39,658,557)	(39,658,557)
Increase in net assets resulting from Unitholders’ transactions	<u>84,695,680</u>	<u>-</u>	<u>84,695,680</u>
Balance as of December 31, 2009	<u>502,509,819</u>	<u>37,945,388</u>	<u>540,455,207</u>
Balance as of January 1, 2010	502,509,819	37,945,388	540,455,207
Operations for the year:			
Net income for the period	-	9,547,486	9,547,486
Proposed Dividend	-	-	-
Decrease in net assets resulting From Unit holders’ transactions	<u>-</u>	<u>-</u>	<u>-</u>
Balance as of March 31, 2010	<u>502,509,819</u>	<u>47,492,874</u>	<u>550,002,693</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 2009).

AL-‘AQAR KPJ REIT
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2010

	31.3.2010	31.3.2009
	RM	RM
Cash Flow From/(Used In) Operating Activities		
Net profit for the period	9,564,985	7,093,590
Adjustments for:		
Profit sharing expenses on financing	5,094,446	2,755,375
Investment revenue	(126,233)	(139,670)
	<hr/>	<hr/>
Operating Profit Before Working Capital Changes	14,533,198	9,709,295
Increase in other receivables and prepaid expenses	(4,349,839)	(812,634)
Increase in other payables and accrued Expenses	349,286	(2,165,504)
	<hr/>	<hr/>
Cash Generated From Operations	10,532,645	6,731,157
Tax paid	(17,499)	-
	<hr/>	<hr/>
Net Cash From Operating Activities	10,515,146	6,731,157
Cash Flow From/(Used In) Investing Activities		
Profit sharing income on investment received	126,233	139,670
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Net Cash Used In Investing Activities	126,233	139,670
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Cash Flow From/(Used In) Financing Activities		
Dividend Paid	(19,697,945)	(17,577,561)
Profit sharing expenses on financing paid	(5,094,446)	(2,755,375)
Listing expenses paid	-	(7,194)
	<hr/>	<hr/>
Net Cash Used In Financing Activities	(24,792,391)	(20,340,130)
	<hr/>	<hr/>
Net (Decrease)/ Increase In Cash And Cash Equivalent	(14,151,012)	(13,469,303)
Cash And Cash Equivalent At Beginning Of Period	47,509,677	39,172,397
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Cash And Cash Equivalent At End Of Period	33,358,665	25,703,094

(The Condensed Consolidated Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009).

AL-'AQAR KPJ REIT

Quarterly Unaudited Financial Results for the 1st Quarter ended 31 March 2010

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 2009 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

There was an issuance of Ijarah Muntahiah Bitamlik financing facility to finance 3rd acquisition exercise which comprises the following tranches as at 31 March 2010:

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	4.45
6	30,617,807	Floating	4.45
Total	204,479,379		

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

The final dividend 2009 declared at 3.80 sen per unit amounting to RM 19,697,946 and has been paid in March 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 was no change in the composition of the Trust during the current quarter and the fund size stands at 518,367,000 units.

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 March 31, 2010, Al-'Aqar KPJ REIT recorded a total revenue of RM15,972,285 inclusive of income from placement in Islamic money market of RM126,233.

Total expenditure for the current period ended March 31, 2010 was RM7,857,808 of which RM1,450,508 was attributable to property expenses.

The total asset of Al-'Aqar KPJ REIT which currently exceeds RM1 billion will increase further subsequent to the completion of the 3rd acquisition and remain 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 RM961,500,000 on 31 March 2010. 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.

On 9 March 2010, Al-‘Aqar KPJ REIT proposed to acquire additional 6 assets with total value of RM302,910,000 of which 4 assets are located in Malaysia and 2 assets are in Indonesia. The proposed assets located in Malaysia are Bandar Baru Klang Specialist Hospital, Kluang Utama Specialist Hospital, Selesa Beach Resort Port Dickson and Menara Ansar Building. Meanwhile, the proposed assets located in Indonesia are Rumah Sakit Bumi Serpong Damai and Rumah Sakit Medika Permata Hijau.

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	<u>-</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:

	Year to date
	RM
Income before tax	<u>9,564,985</u>
Tax at statutory tax rate of 25%	
Tax effects of:	2,391,246
Income distributed exempted from tax at trust level	<u>(2,391,246)</u>
	<u>-</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 for KPJ Tawakal Hospital Building.

B9. LONG –TERM BORROWINGS

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

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.