

AL-'AQAR KPJ REIT
CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER
ENDED 30 JUNE 2010

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2010	Preceding Year Corresponding Quarter 30.6.2009	Current Year To date 30.6.2010	Preceding Year To Date 30.6.2009
	RM	RM	RM	RM
Gross Revenue	17,214,354	14,302,543	34,428,708	26,998,537
Property expenses	(563,926)	(517,143)	(2,014,434)	(1,510,702)
Net rental income	16,650,428	13,785,400	32,414,274	25,487,835
Investment revenue	182,029	54,607	308,261	194,278
Other Income			82,206	
Total income	16,832,457	13,840,007	32,804,741	25,682,113
Manager's fees	247,362	263,091	497,287	377,047
Trustee's fees	41,488	49,306	82,238	72,072
Accretion of long-term borrowings	250,717	167,053	562,979	211,015
Administration expenses	111,955	98,426	600,232	590,923
Acquisition expenses	88,268	747,296	309,908	747,296
Profit sharing expenses on Financing	5,138,539	3,502,527	10,232,985	7,226,559
Income before tax	10,954,128	9,012,308	20,519,112	16,457,201
Tax expense	(11,666)	-	(29,165)	-
Net income for the period	10,942,462	9,012,308	20,489,947	16,457,201
Net income for the period is made up as follows:				
Realised	10,942,462	9,012,308	20,489,947	16,457,201
Unrealised		-		-
	10,942,462	9,012,308	20,489,947	16,457,201
Earnings per unit (sen)	1.89	1.83	3.53	3.35
Provision for income Distribution	22,963,658	-	22,963,658	-
Distribution per unit (sen)	4.43	-	4.43	-

(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
30 JUNE 2010

	AS AT END OF CURRENT QUARTER 30.6.2010 (Unaudited) RM	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2009 (Audited) RM
ASSETS		
Non-Current Assets		
Investment properties	1,064,500,000	961,500,000
	<u>1,064,500,000</u>	<u>961,500,000</u>
Current Assets		
Receivables and Prepaid expenses	3,878,519	2,302,269
Bank balances	46,929,677	47,509,677
	<u>50,808,196</u>	<u>49,811,946</u>
TOTAL ASSETS	<u>1,115,308,196</u>	<u>1,011,311,946</u>
LIABILITIES		
Current Liabilities		
Other payables and accrued expenses	37,666,594	14,324,525
Provision for income distribution	22,965,658	19,699,945
Tax liabilities	420,977	420,977
	<u>61,053,229</u>	<u>34,445,447</u>
Non-Current Liability		
Long-term borrowings	457,563,471	436,411,292
TOTAL LIABILITIES	<u>518,616,700</u>	<u>470,856,739</u>
NET ASSETS VALUE	<u>596,691,496</u>	<u>540,455,207</u>
UNITHOLDERS' FUNDS		
Unitholders' capital	561,219,819	502,509,819
Undistributed income	35,471,677	37,945,388
TOTAL UNITHOLDERS' FUNDS	<u>596,691,496</u>	<u>540,455,207</u>
NUMBER OF UNITS IN CIRCULATION	<u>580,167,000</u>	<u>518,367,000</u>
NET ASSETS VALUE PER UNIT	<u>1.03</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 30 JUNE 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	-	20,489,947	20,489,947
Proposed Dividend	-	(22,963,658)	(22,963,658)
Decrease in net assets resulting from Unit holders’ transactions	<u>58,710,000</u>	<u>-</u>	<u>58,710,000</u>
Balance as of June 30, 2010	<u>561,219,819</u>	<u>35,471,677</u>	<u>596,691,496</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 30 JUNE 2010

	30.6.2010	30.6.2009
	RM	RM
Cash Flow From/(Used In) Operating Activities		
Net profit for the period	20,519,112	16,457,201
Adjustments for:		
Profit sharing expenses on financing	10,232,985	7,226,559
Accretion of long-term borrowings	-	211,015
Investment revenue	(308,261)	(194,278)
	<hr/>	<hr/>
Operating Profit Before Working Capital Changes	30,443,836	23,700,497
Increase in other receivables and prepaid expenses (Decrease)/Increase in other payables and accrued Expenses	(1,576,250)	(1,480,896)
	<hr/>	<hr/>
Cash Generated From Operations	52,209,655	
Tax Paid	(29,165)	
	<hr/>	<hr/>
Net Cash From Operating Activities	52,180,490	22,841,337
Cash Flow From/(Used In) Investing Activities		
Profit sharing income on investment received	308,261	194,278
Purchase of investment properties	(103,000,000)	(176,700,000)
	<hr/>	<hr/>
Net Cash Used In Investing Activities	(102,691,739)	(176,505,722)
Cash Flow From/(Used In) Financing Activities		
Dividend Paid	(19,697,945)	(24,008,376)
Proceeds from issuance of Ijarah Muntahiah Bitamlik		120,784,674
Profit sharing expenses on financing paid	(10,232,985)	(7,226,559)
Proceed from issuance of unit	58,710,000	59,939,300
Proceed from issuance of financing – Ijarah	21,152,179	-
Listing expenses paid	-	(465,214)
	<hr/>	<hr/>
Net Cash Used In Financing Activities	49,931,249	149,023,825
Net (Decrease)/ Increase In Cash And Cash Equivalent	(580,000)	(4,640,560)
Cash And Cash Equivalent At Beginning Of Period	<hr/>	<hr/>
	47,509,677	39,172,397
Cash And Cash Equivalent At End Of Period	<hr/>	<hr/>
	46,929,677	34,531,837

(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 2nd Quarter ended 30 June 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 30 June 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	4.95
6	30,617,807	Floating	4.95
7	16,965,405	Floating	4.95
8	28,359,173	Floating	4.95
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 interim dividend 2010 declared at 4.43 sen per unit amounting to RM 22,963,658 and was announced in 1st June 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

There were no material events from the date of this report.

A11. CHANGES IN THE COMPOSITION OF THE TRUST

There were changes in the composition of the Trust and the fund size increased from 518,367,000 units to 580,167,000 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 June 30, 2010, Al-'Aqar KPJ REIT recorded a total revenue of RM16,832,457 inclusive of income from placement in Islamic money market of RM182,029.

Total expenditure for the current period ended June 30, 2010 was RM6,442,255 of which RM563,926 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 20 with a total value of RM1,064,500,000 on 30 June 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	-	-

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>20,519,112</u>
Tax at statutory tax rate of 25%	
Tax effects of:	5,129,778
Income distributed exempted from tax at trust level	<u>(5,129,778)</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)	238,975,138	234,455,275
Ijarah Muntahiah Bitamlik	218,588,333	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.