

**AL-HADHARAH BOUSTEAD REIT
CONDENSED INCOME STATEMENT (AUDITED)
FOR THE QUARTER ENDED 30 JUNE 2007**

	CURRENT YEAR QUARTER 30.6.2007 RM'000	CURRENT YEAR TO-DATE 30.6.2007 RM'000
INCOME		
Gross rental income	8,728	17,457
Less: Plantation operating expenses	(558)	(1,620)
	<hr/>	<hr/>
Net rental income	8,170	15,837
Profit earned from Shariah-based deposits	99	276
	<hr/>	<hr/>
	8,269	16,113
EXPENDITURE		
Other expenses	(340)	(709)
	<hr/>	<hr/>
NET INCOME BEFORE TAXATION	7,929	15,404
TAXATION	-	-
	<hr/>	<hr/>
NET INCOME AFTER TAXATION	7,929	15,404
	<hr/>	<hr/>
PROVISION FOR DISTRIBUTION	(14,769)	(14,769)
	<hr/>	<hr/>
EARNINGS PER UNIT (SEN)	1.98	3.85
PROPOSED DISTRIBUTION PER UNIT (SEN)	3.69	3.69
NET INCOME AFTER TAXATION FOR THE PERIOD IS MADE UP AS FOLLOWS:		
Realised	7,929	15,404
Unrealised	-	-

* There are no comparative figures available as this is the second quarterly report for the Fund.

**AL-HADHARAH BOUSTEAD REIT
CONDENSED BALANCE SHEET (AUDITED)
AS AT 30 JUNE 2007**

	AS AT END OF CURRENT QUARTER 30.6.2007 RM'000
NON-CURRENT ASSETS	
Investment properties	471,900
CURRENT ASSETS	
Receivables	529
Shariah-based deposits with financial institution	18,940
Cash and bank balances	10
	<u>19,479</u>
TOTAL ASSETS	<u><u>491,379</u></u>
LIABILITIES	
Payables	75,544
Provision for distribution	14,769
TOTAL LIABILITIES	<u>90,313</u>
NET ASSET VALUE	<u><u>401,066</u></u>
UNITHOLDERS' FUND	
Unitholders' capital	400,431
Undistributed income	635
TOTAL UNITHOLDER'S FUND	<u><u>401,066</u></u>
UNITS IN CIRCULATION ('000)	400,251
NET ASSET VALUE (NAV) PER UNIT (RM)	1.00

* There are no comparative figures available as this is the second quarterly report for the Fund.

**AL-HADHARAH BOUSTEAD REIT
CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE (AUDITED)
FOR THE QUARTER ENDED 30 JUNE 2007**

	Unitholders' capital	Undistributed income		Unitholders' fund
	RM'000	Unrealised	Realised	RM'000
	RM'000	RM'000	RM'000	RM'000
At 11 December 2006 (date of establishment)	1	-	-	1
Issuance of units	409,930	-	-	409,930
Listing expenses	(9,500)	-	-	(9,500)
Net income for the period	-	-	15,404	15,404
Distribution to unitholders	-	-	(14,769)	(14,769)
At 30 June 2007	<u>400,431</u>	<u>-</u>	<u>635</u>	<u>401,066</u>

* There are no comparative figures available as this is the second quarterly report for the Fund.

**AL-HADHARAH BOUSTEAD REIT
CONDENSED CASH FLOW STATEMENT (AUDITED)
FOR THE QUARTER ENDED 30 JUNE 2007**

	AS AT END OF CURRENT QUARTER 30.6.2007 RM'000
OPERATING ACTIVITIES	
Net income before taxation	15,404
Adjustments for:	
Profit earned from Shariah-based deposits	(276)
Operating profit before changes in working capital	<u>15,128</u>
Trade and other receivables	(529)
Trade and other payables	3,794
Net cash from operating activities	<u>18,393</u>
INVESTING ACTIVITIES	
Purchase of investment properties	(219,900)
Profit earned from Shariah-based deposits	276
Net cash used in investing activities	<u>(219,624)</u>
FINANCING ACTIVITIES	
Proceeds from issuance of units	229,680
Listing expenses	(9,500)
Net cash from financing activities	<u>220,180</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,949
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>1</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>18,950</u>

* There are no comparative figures available as this is the second quarterly report for the Fund.

AL-HADHARAH BOUSTEAD REIT
NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER ENDED 30 JUNE 2007

A. EXPLANATORY NOTES PURSUANT TO FRS 134

A1 BASIS OF PREPARATION

The interim financial statements are audited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The accounting policies and methods of computation used in the preparation of the interim financial report are consistent with those adopted in the preparation of the proforma financial information presented in the prospectus of Al-Hadharah Boustead REIT dated 15 January 2007.

A2 AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2006

There was no audited report for the preceding year ended 31 December 2006 as Al-Hadharah Boustead REIT was established on 11 December 2006.

A3 SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of the Fund are not materially affected by any seasonal or cyclical factors.

A4 UNUSUAL ITEMS

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

A5 CHANGES IN ESTIMATES

This is not applicable.

A6 CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the quarter under review.

A7 INCOME DISTRIBUTION

a) There was no distribution paid during the quarter under review.

b) The Board has declared an interim distribution of 3.69 sen per unit for the period ended 30 June 2007, to be payable on 2 August 2007.

A8 SEGMENTAL INFORMATION

This is not applicable.

A9 VALUATION OF INVESTMENT PROPERTIES

There were no revaluations made to date.

A10 MATERIAL EVENTS

There were no material events subsequent to the end of the quarter except for the issuance of 71,750,000 new units on 24 July 2007 at RM1 each as the consideration for the acquisition of Lepad Kabu plantation assets which was duly completed on 26 June 2007.

A11 CHANGES IN THE COMPOSITION OF THE TRUST

a) There were no changes to the composition of the Fund for the current quarter and the fund size stands at 400,251,000 units.

b) The Fund has issued additional 71,750,000 new units at RM1 each on 24 July 2007 pursuant to the acquisition of Lepad Kabu plantation assets which was duly completed on 26 June 2007.

A12 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

B1 REVIEW OF PERFORMANCE

The Fund recorded a total rental income of RM8.73 million for the second quarter and cumulative total rental income to date of RM17.46 million. Net income before taxation for the quarter was RM7.93 million with total income and total expenses of RM8.27 million and RM0.34 million respectively. For the first half of the financial period, net income before taxation was RM15.4 million with total income of RM16.11 million and total expenses of RM0.71 million.

B2 COMPARISON WITH PRECEDING QUARTER

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

B3 PROSPECTS

a) The Fund is expected to perform well due to CPO prices exceeding the reference price of RM1,500 per MT, which will give rise to additional income from performance-based profit sharing arrangement.

b) With additional rental income from Lepad Kabu plantation assets, the net income for the second half of the financial year is expected to be higher.

B4 VARIANCE OF PROFIT FORECAST OR PROFIT GUARANTEE

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

B5 TAXATION

a) Pursuant to the new tax regime for Real Estate Investment Trust (REIT), a REIT will be exempted from income tax on all its income provided that at least 90% of its total income is distributed to unitholders within 2 months from the end of the financial year.

b) As the Manager intends to distribute at least 90% of the income within 2 months from the end of the financial year, there will be no income tax for the year.

B6 UNQUOTED INVESTMENTS IN SECURITIES OR PROPERTIES

There was no purchase or sale of unquoted investments in securities or properties during the current quarter, except as disclosed under Note B8.

B7 QUOTED INVESTMENTS

There was no purchase or disposal of quoted investments during the quarter.

B8 CORPORATE DEVELOPMENTS

During the period, the acquisition of Lepad Kabu plantation assets from Boustead Plantations Berhad was duly completed on 26 June 2007 and the purchase consideration was satisfied by the issuance of 71,750,000 new units at RM1 each on 24 July 2007.

B9 BORROWINGS AND DEBT SECURITIES

There were no borrowings or debt securities for the current quarter.

B10 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments for the current quarter.

B11 MATERIAL LITIGATION

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

B12 INCOME DISTRIBUTION

a) The Board has declared an interim distribution of 3.69 sen per unit for the period ended 30 June 2007, to be payable on 2 August 2007 to Unitholders whose name appear on the Register of Unitholders as at 19 July 2007. The interim distribution is in line with the projected annual distribution of 7.38 sen per unit as contained in Prospectus.

B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.22 OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D.)

B12 INCOME DISTRIBUTION (CONT'D.)

b) Pursuant to amended Section 109D(2) of the Income Tax Act 1967 under the Finance Act 2006 which was gazetted on 31 December 2006, the following withholding tax rates would be applicable on the distribution which is tax-exempt at the Fund level.

<u>Unitholder</u>	<u>Withholding Tax Rate</u>
Tax resident companies	0%
Resident and non-resident individuals	15%
Resident institutional investors	15%
Non-resident institutional investors	20%
Non-tax resident companies	27%
Nominees	Rates applicable to respective beneficial owners of the units

B13 DISTRIBUTION PER UNIT

	Current Quarter 30.6.2007 RM'000
Net income after taxation	
- realised and distributable for the period	15,404
Provision for interim distribution	14,769
Number of units in issue	400,251
Basic earnings per unit (sen)	3.85
Distribution per unit (sen)	3.69

By Order of the Board

SUZANA BINTI AHMAD (BAR COUNCIL NO. BC/S/356)
Company Secretary
Boustead REIT Managers Sdn Bhd
As the Manager of Al-Hadharah Boustead REIT
Kuala Lumpur

27 July 2007