

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

	CURRENT YEAR QUARTER 30.9.2007 RM'000	CURRENT YEAR TO-DATE 30.9.2007 RM'000
INCOME		
Gross rental income	10,325	27,782
Less: Plantation operating expenses	(970)	(2,590)
	<hr/>	<hr/>
Net rental income	9,355	25,192
Gain on disposal of land	20	20
Profit earned from Shariah-based deposits	90	366
	<hr/>	<hr/>
	9,465	25,578
EXPENDITURE		
Other expenses	(417)	(1,126)
	<hr/>	<hr/>
NET INCOME BEFORE TAXATION	9,048	24,452
TAXATION	-	-
NET INCOME AFTER TAXATION	<hr/> 9,048 <hr/>	<hr/> 24,452 <hr/>
PROVISION FOR DISTRIBUTION	<hr/> -	<hr/> (14,769)
EARNINGS PER UNIT (SEN)	2.00	5.85
DISTRIBUTION PER UNIT (SEN)	-	3.69
NET INCOME AFTER TAXATION FOR THE PERIOD IS MADE UP AS FOLLOWS:		
Realised	9,048	24,452
Unrealised	-	-

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

**AL-HADHARAH BOUSTEAD REIT
CONDENSED BALANCE SHEET (UNAUDITED)
AS AT 30 SEPTEMBER 2007**

	AS AT END OF CURRENT QUARTER 30.9.2007 RM'000
NON-CURRENT ASSETS	
Investment properties	473,177
CURRENT ASSETS	
Receivables	3,748
Shariah-based deposits with financial institution	9,541
Cash and bank balances	8
	<u>13,297</u>
TOTAL ASSETS	<u><u>486,474</u></u>
LIABILITIES	
Payables	4,610
TOTAL LIABILITIES	<u><u>4,610</u></u>
NET ASSET VALUE	<u><u>481,864</u></u>
UNITHOLDERS' FUND	
Unitholders' capital	472,181
Undistributed income	9,683
TOTAL UNITHOLDER'S FUND	<u><u>481,864</u></u>
UNITS IN CIRCULATION ('000)	472,001
NET ASSET VALUE (NAV) PER UNIT (RM)	1.02

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

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

	Unitholders' capital	Undistributed income		Unitholders' fund
	RM'000	Unrealised	Realised	RM'000
		RM'000	RM'000	
At 11 December 2006 (date of establishment)	1	-	-	1
Issuance of units	481,680	-	-	481,680
Listing expenses	(9,500)	-	-	(9,500)
Net income for the period	-	-	24,452	24,452
Distribution to unitholders	-	-	(14,769)	(14,769)
At 30 September 2007	<u>472,181</u>	<u>-</u>	<u>9,683</u>	<u>481,864</u>

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

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

	AS AT END OF CURRENT QUARTER 30.9.2007 RM'000
OPERATING ACTIVITIES	
Net income before taxation	24,452
Adjustments for:	
Profit earned from Shariah-based deposits	(366)
Operating profit before changes in working capital	<u>24,086</u>
Trade and other receivables	(3,748)
Trade and other payables	4,633
Net cash from operating activities	<u>24,971</u>
INVESTING ACTIVITIES	
Purchase of investment properties	(221,200)
Profit earned from Shariah-based deposits	366
Net cash used in investing activities	<u>(220,834)</u>
FINANCING ACTIVITIES	
Proceeds from issuance of units	229,680
Distribution paid to Unitholders	(14,769)
Listing expenses	(9,500)
Net cash from financing activities	<u>205,411</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,548
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>1</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>9,549</u>

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

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

A. EXPLANATORY NOTES PURSUANT TO FRS 134

A1 BASIS OF PREPARATION

The quarterly financial statements are unaudited 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 and commenced operations on 1 January 2007.

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 as no estimates were previously reported.

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

During the quarter under review, the first interim distribution of 3.69 sen per unit amounting to RM14,769,262 for the first half of the financial period ending 31 December 2007 was paid 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

a) 71,750,000 new units were issued at an issue price of RM1 each in the current quarter pursuant to the completion of the acquisition of Lapan Kabu plantation assets. The rental contribution from Lapan Kabu plantation assets which commenced on 1 July 2007 has been accounted for in the current quarter.

b) A land area of 1.48744 acres of Mukim Johor Lama District of Kota Tinggi Telok Sengat Estate was compulsory acquired by the Government in July 2007 for an amount of RM44,623 for the purpose of 'Project Lebuhraya Senai-Pasir Gudang-Desaru'.

A11 CHANGES IN THE COMPOSITION OF THE TRUST

The Fund size has increased to 472,000,001 units with the issuance of 71,750,000 new units pursuant to the completion of the acquisition of Lapan Kabu plantation assets.

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 THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 REVIEW OF PERFORMANCE

The Fund registered a total revenue of RM10.32 million and net income before taxation of RM9.05 million for the current quarter. The rental from the newly acquired Lepad Kabu plantation assets has contributed to the increase in revenue and net income before taxation.

B2 COMPARISON WITH PRECEDING QUARTER

	Current Quarter 30.9.2007 RM'000	Preceding Quarter 30.6.2007 RM'000
Revenue	10,325	8,728
Net income before taxation	9,048	7,929
Net Income after taxation	9,048	7,929

The increase of 18.3% in revenue and 14.1% in net income before taxation in the current quarter was mainly contributed by the rental income from Lepad Kabu plantation assets, which commenced from 1 July 2007.

B3 PROSPECTS

The current bullish CPO price is likely to have a positive impact on the earnings for the rest of the year as there will be additional revenue from performance based rental. For the nine months to 30 September 2007, revenue not recognised from this source is estimated at RM8.5 million.

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

An interim distribution amounting to RM14,769,262 was paid on 2 August 2007. The distribution per unit of 3.69 sen was based on the existing 400,251,000 units before the issuance of the new 71,750,000 new units.

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

B13 EARNINGS PER UNIT

The earnings per unit has been computed based on net income after taxation against the weighted average of the number of units in issue during the period.

	Current Year Quarter 30.9.2007	Current Year To-date 30.9.2007
Net income after taxation (RM'000)		
- realised and distributable for the period	9,048	24,452
Weighted average number of units in issue ('000)	453,284	418,123
Basic earnings per unit (sen)	2.00	5.85

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

5 October 2007