

**AL-HADHARAH BOUSTEAD REIT
CONDENSED INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 31 DECEMBER 2007**

	CURRENT YEAR QUARTER 31.12.2007 RM'000	CURRENT YEAR TO-DATE 31.12.2007 RM'000
INCOME		
Gross rental income	10,325	38,107
Performance-based profit sharing	17,078	17,078
	<u>27,403</u>	<u>55,185</u>
Less: Plantation operating expenses	(1,208)	(3,798)
	<u>26,195</u>	<u>51,387</u>
Net rental income	26,195	51,387
Gain on disposal of land	-	20
Gross dividend income	14	14
Profit earned from Shariah-based deposits	91	457
	<u>26,300</u>	<u>51,878</u>
EXPENDITURE		
Other expenses	(925)	(2,051)
	<u>25,375</u>	<u>49,827</u>
NET REALISED INCOME	25,375	49,827
Net unrealised loss on valuation of:		
Investment in quoted Shariah-compliant securities	(23)	(23)
	<u>25,352</u>	<u>49,804</u>
NET INCOME BEFORE TAXATION	25,352	49,804
TAXATION	-	-
NET INCOME AFTER TAXATION	25,352	49,804
	<u>(34,078)</u>	<u>(48,848)</u>
PROVISION FOR DISTRIBUTION	(34,078)	(48,848)
EARNINGS PER UNIT (SEN)	5.37	11.44
DISTRIBUTION PER UNIT (SEN)	7.22	10.91
NET INCOME AFTER TAXATION FOR THE PERIOD IS MADE UP AS FOLLOWS:		
Realised	25,375	49,827
Unrealised	(23)	(23)
	<u>25,352</u>	<u>49,804</u>

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

**AL-HADHARAH BOUSTEAD REIT
CONDENSED BALANCE SHEET (UNAUDITED)
AS AT 31 DECEMBER 2007**

	AS AT END OF CURRENT QUARTER 31.12.2007 RM'000
ASSETS	
Investment properties	477,305
Investment in quoted Shariah-compliant securities	3,198
Receivables	17,099
Shariah-based deposits with financial institution	17,707
Cash and bank balances	14
TOTAL ASSETS	<u><u>515,323</u></u>
LIABILITIES	
Payables	8,108
Provision for distribution	34,078
TOTAL LIABILITIES	<u><u>42,186</u></u>
NET ASSET VALUE	<u><u>473,137</u></u>
UNITHOLDERS' FUND	
Unitholders' capital	472,181
Undistributed income	956
TOTAL UNITHOLDER'S FUND	<u><u>473,137</u></u>
UNITS IN CIRCULATION ('000)	472,001
NET ASSET VALUE (NAV) PER UNIT (RM)	1.00

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

AL-HADHARAH BOUSTEAD REIT
CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE (UNAUDITED)
FOR THE QUARTER ENDED 31 DECEMBER 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	481,680	-	-	481,680
Listing expenses	(9,500)	-	-	(9,500)
Net income for the period	-	(23)	49,827	49,804
Distribution to unitholders	-	-	(48,848)	(48,848)
At 31 December 2007	<u>472,181</u>	<u>(23)</u>	<u>979</u>	<u>473,137</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 31 DECEMBER 2007**

	AS AT END OF CURRENT QUARTER 31.12.2007 RM'000
OPERATING ACTIVITIES	
Net income before taxation	49,804
Adjustments for:	
Profit earned from Shariah-based deposits	(457)
Gain on disposal of land	(20)
Dividend income	(14)
Net unrealised gain on valuation of:	
Investment in quoted Shariah-compliant securities	23
Operating profit before changes in working capital	<u>49,336</u>
Receivables	(17,096)
Payables	8,108
Net cash from operating activities	<u>40,348</u>
INVESTING ACTIVITIES	
Purchase and enhancement of investment properties	(225,328)
Purchase of quoted Shariah-compliant securities	(3,221)
Profit earned from Shariah-based deposits	457
Proceeds from disposal of land	43
Net dividend received	10
Net cash used in investing activities	<u>(228,039)</u>
FINANCING ACTIVITIES	
Proceeds from issuance of units	229,680
Distribution paid	(14,769)
Listing expenses	(9,500)
Net cash from financing activities	<u>205,411</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,720
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>1</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>17,721</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD COMPRISE:	
Cash and bank balances	14
Shariah-based equivalents at end of period	17,707
	<u>17,721</u>

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

AL-HADHARAH BOUSTEAD REIT
NOTES TO THE QUARTERLY FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 quarterly 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

A final distribution of 7.22 sen per unit amounting to RM34,078,472 was provided in the accounts for the quarter under review in respect of the period ended 31 December 2007. The distribution to be payable on 29 February 2008 is made up of fixed dividend of 3.69 sen per unit and variable dividend of 3.53 sen per unit.

A8 SEGMENTAL INFORMATION

This is not applicable.

A9 VALUATION OF INVESTMENT PROPERTIES

There were no revaluations made to date.

A10 MATERIAL EVENTS

There was no material event as at the latest practicable date.

A11 CHANGES IN THE COMPOSITION OF THE TRUST

There was no change in the composition of Al-Hadharah Boustead REIT in the current quarter and the Fund size stands at 472,001,000 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 THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 REVIEW OF PERFORMANCE

Al-Hadharah Boustead REIT registered a total revenue of RM55.2 million encompassing a performance-based profit sharing of RM17.1 million and a rental income of RM38.1 million for the period under review. The net income for the period was RM49.8 million. The good result was due to the tenants achieving an actual average palm oil price of RM2,332 per metric tonne against the reference price of RM1,500 per metric tonne. This has resulted in a performance-based profit sharing well above expectation.

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

B2 COMPARISON WITH PRECEDING QUARTER

	Current Quarter 31.12.2007 RM'000	Preceding Quarter 30.9.2007 RM'000
Revenue	27,403	10,325
Net income before taxation	25,352	9,048
Net Income after taxation	25,352	9,048

The performance-based profit sharing of RM17.1 million has contributed to the increase in revenue and net income before taxation for the current quarter.

B3 PROSPECTS

The Manager expects the Fund to continue to perform well with the bullish CPO prices and plans to strengthen its asset base through injection of additional estates.

B4 VARIANCE OF PROFIT FORECAST OR PROFIT GUARANTEE

The net income before tax of RM49.8 million is 51.8% higher than the RM32.8 million as forecast in the Prospectus dated 15 January 2007, mainly due to additional income from the performance-based profit sharing of RM17.1 million as the actual average palm oil price of RM2,332 per metric tonne is above the reference price of RM1,500 per metric tonne.

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 Fund is distributing 98% of its distributable income for the current financial year on 29 February 2008, 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.

B7 QUOTED INVESTMENTS

	Current Quarter 31.12.2007 RM'000	Current Year To date 31.12.2007 RM'000
<u>Purchases and disposal:</u>		
Total purchase consideration	3,221	3,221
Total sale proceeds	-	-
Total profit on disposal	-	-
<u>Investment as at 31 December 2007:</u>		RM'000
Total investments at cost/carrying value		3,221
Total investments at book value		3,198
Total investment at market value at end of reporting period		3,198

B8 CORPORATE DEVELOPMENTS

There are no outstanding proposals as at the last practicable date.

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.

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

B11 MATERIAL LITIGATION

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

B12 INCOME DISTRIBUTION

Al-Hadharah Boustead REIT intends to distribute 98% of its distributable income for the current financial period. For the current quarter, a provision for income distribution of RM34,078,472 has been made in the accounts for the fixed dividend of 3.69 sen per unit and the variable dividend of 3.53 sen per unit, to be payable on 29 February 2008.

Pursuant to the 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 of income which is tax exempt at the REIT level.

<u>Unitholder</u>	<u>Withholding Tax Rate</u>
Tax resident companies	0% (tax flow through)
Resident and non-resident individuals	15%
Resident institutional investors	15%
Non-resident institutional investors	20%
Non-tax resident companies	26%

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 31.12.2007	Current Year To-date 30.9.2007
Net income after taxation (RM'000)	25,352	49,804
Weighted average number of units in issue ('000)	472,001	435,358
Basic earnings per unit (sen)	5.37	11.44
Distribution paid on 2 August 2007 (sen)	-	3.69
Distribution payable on 29 February 2008 (sen)	7.22	7.22
Total distribution per unit (sen)	-	10.91

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

29 January 2008