

AL-HADHARAH BOUSTEAD REIT
UNAUDITED CONDENSED INCOME STATEMENT

For the quarter ended 31 March 2008	Current period		Cumulative Period	
	2008	Restated 2007	2008	Restated 2007
	RM'000	RM'000	RM'000	RM'000
Rental income				
- fixed	10,398	8,729	10,398	8,729
- performance-based (unrealised)	8,400	471	8,400	471
	18,798	9,200	18,798	9,200
Plantation operating expenses	(897)	(1,062)	(897)	(1,062)
Net rental income	17,901	8,138	17,901	8,138
Dividend income	5	-	5	-
Profit earned from deposits	86	177	86	177
	17,992	8,315	17,992	8,315
Other expenses	(672)	(369)	(672)	(369)
Unrealised losses on valuation of investment in quoted securities	(571)	-	(571)	-
Net income before taxation	16,749	7,946	16,749	7,946
Taxation	-	-	-	-
Net income after taxation	16,749	7,946	16,749	7,946
Earnings per unit (sen)	3.55	1.99	3.55	1.99
Distribution per unit (sen)	-	-	-	-
Net income after taxation for the period is made up as follows:				
Realised	8,920	7,475	8,920	7,475
Unrealised	7,829	471	7,829	471
	16,749	7,946	16,749	7,946

The Unaudited Condensed Income Statement should be read in conjunction with the audited financial statements for the period ended 31 December 2007.

**AL-HADHARAH BOUSTEAD REIT
UNAUDITED CONDENSED BALANCE SHEET**

As at 31 March 2008	Audited 31 December	
	2008	2007
	RM'000	RM'000
ASSETS		
Investment properties	477,305	477,305
Investment in quoted securities	4,251	3,198
Receivables	11,875	17,099
Deposits with financial institution	867	17,707
Cash and bank balances	172	14
TOTAL ASSETS	494,470	515,323
LIABILITIES		
Payables	4,584	8,107
Provision for distribution	-	34,079
TOTAL LIABILITIES	4,584	42,186
NET ASSET VALUE	489,886	473,137
UNITHOLDERS' FUND		
Unitholders' capital	472,181	472,181
Undistributed income	17,705	956
TOTAL UNITHOLDERS' FUND	489,886	473,137
UNITS IN CIRCULATION ('000)	472,001	472,001
NET ASSET VALUE (NAV) PER UNIT (RM)	1.04	1.00

The Unaudited Condensed Balance Sheet should be read in conjunction with the audited financial statements for the period ended 31 December 2007.

AL-HADHARAH BOUSTEAD REIT
UNAUDITED CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE

For the quarter ended 31 March 2008	Unitholders' capital	Undistributed income		Unitholders' fund
	RM'000	Unrealised	Realised	RM'000
At 1 January 2008	472,181	(23)	979	473,137
Net income for the period	-	7,829	8,920	16,749
Distribution to unitholders	-	-	-	-
At 31 March 2008	<u>472,181</u>	<u>7,806</u>	<u>9,899</u>	<u>489,886</u>
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	-	471	7,475	7,946
Distribution to unitholders	-	-	-	-
At 31 March 2007	<u>400,431</u>	<u>471</u>	<u>7,475</u>	<u>408,377</u>

The Unaudited Condensed Statement of Changes in Net Asset Value should be read in conjunction with the audited financial statements for the period ended 31 December 2007.

AL-HADHARAH BOUSTEAD REIT
UNAUDITED CONDENSED CASH FLOW STATEMENT

For the quarter ended 31 March 2008

	2008	Restated 2007
	RM'000	RM'000
OPERATING ACTIVITIES		
Net income before taxation	16,749	7,946
Adjustments for:		
Profit earned from deposits	(86)	(177)
Dividend income	(5)	-
Unrealised losses on valuation of investments	571	-
Operating profit before changes in working capital	17,229	7,769
Receivables	5,224	(3,382)
Payables	(3,523)	5,043
Net cash from operating activities	18,930	9,430
INVESTING ACTIVITIES		
Purchase and enhancement of investment properties	-	(219,900)
Purchase of quoted securities	(1,624)	-
Profit earned from deposits	86	177
Dividend received	5	-
Net cash used in investing activities	(1,533)	(219,723)
FINANCING ACTIVITIES		
Proceeds from issuance of units	-	229,680
Listing expenses	-	(9,500)
Distribution paid	(34,079)	-
Net cash from financing activities	(34,079)	220,180
NET INCREASE IN CASH AND CASH EQUIVALENTS	(16,682)	9,887
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	17,721	1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,039	9,888
ANALYSIS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		
Cash and bank balances	172	1
Shariah-based deposits with financial institution	867	9,887
	1,039	9,888

The Unaudited Condensed Cash Flow Statement should be read in conjunction with the audited financial statements for the period ended 31 December 2007.

AL-HADHARAH BOUSTEAD REIT**Notes to the Interim Financial Report for the Quarter Ended 31 March 2008****Part A - Explanation Notes Pursuant to FRS 134****A1 Basis of Preparation**

The quarterly financial statements are unaudited and have been prepared in compliance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the audited financial statements for the period ended 31 December 2007.

Pursuant to the terms of the Ijarah Agreements, performance-based profit sharing which is only determined at the end of the financial year is payable not later than 28 February 2009. Based on the average palm oil price of RM3,020 per MT achieved at the end of the current quarter and the reference price of RM1,500 per MT, it is estimated that the enhanced yield rental income would be RM8.4 million. The amount which is unrealised at the end of the current quarter has been accrued in the income statement. Accordingly, the comparatives have been restated to present the recognition of the performance-based profit sharing on a quarterly basis as follows:

Restatement of comparatives

	Previously stated RM'000	Increase/ (decrease) RM'000	Restated RM'000
Income Statement			
Rental income - performance based (unrealised)	-	471	471
Net income before taxation	7,475	471	7,946
Statement of Changes in Net Asset Value			
Undistributed income			
- realised	7,475	-	7,475
- unrealised	-	471	471
	<u>7,475</u>	<u>471</u>	<u>7,946</u>
Unitholders' Fund	407,906	471	408,377

Investments in quoted securities are Shariah-compliant and marked to market value. The deposits placed with licensed Islamic financial institution are Shariah-based.

A2 Audit Report of Preceding Financial Year Ended 31 December 2007

The audit report of the preceding audited financial statements was not qualified.

A3 Seasonality or Cyclicity 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 current quarter under review.

A5 Changes in Estimates

There were no material changes in estimates of amounts 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 Distributed

A final distribution of 7.22 sen per unit in respect of the period ended 31 December 2007 amounting to RM34,078,472 was paid on 29 February 2008.

A8 Segmental Information

This is not applicable.

A9 Valuation of Investment Properties

There has been no revaluation of investment properties during the current quarter.

A10 Subsequent Events

There were no subsequent events as at 7 May 2008 that will materially affect the financial statements of the financial period under review.

A11 Changes in Composition of The Fund

This is not applicable.

A12 Contingent Liabilities and Contingent Assets

No contingent liabilities or contingent assets have arisen since the financial year-end.

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**B1 Performance Review**

Al-Hadharah Boustead REIT posted an unaudited net income before tax of RM16.7 million representing an improvement of 111% over last year's result of RM7.9 million. The better result was attributable to stronger palm oil prices which had contributed to a higher-performance-based rental income in the current quarter. The average palm oil prices for the current quarter was RM3,020 per MT as compared with last year's corresponding quarter average price of RM1,904 per MT. Lepad Kabu plantation assets which were injected into the Fund in July 2007 had also contributed to the increase in rental income.

B2 Comparison with Preceding Quarter

	Current Quarter 31.3.2008 RM'000	Preceding Quarter 31.12.2007 RM'000
Revenue	18,798	17,050
Net income before taxation	16,749	15,271

The result for the current quarter was better than the preceding quarter, mainly due to the higher performance-based rental income arising from better palm oil prices.

B3 Prospects

The Fund's performance is expected to remain strong with the continued bullish palm oil prices.

B4 Variance of Profit Forecast or Profit Guarantee

This is not applicable.

B5 Taxation

Pursuant to S.61A of the Income Tax Act 1967, the Fund will be exempted from income tax on all its income as the Fund intends to distribute at least 90% of its total income to unitholders within 2 months from the end of the financial year.

B6 Unquoted Investments in Securities or Properties

There were no purchase or sale of unquoted investments in securities or properties during the current quarter.

B7 Quoted Investments

	Current Period 2008 RM'000	Cumulative Period 2008 RM'000
<u>Purchases and disposals:</u>		
Total purchase consideration	1,624	1,624
Total sale proceeds	-	-
Total profit on disposal	-	-
<u>Investment as at 31 March 2008:</u>		RM'000
At cost		4,846
At carrying value/book value		4,251
At market value		4,251

B8 Corporate Developments

There were no outstanding proposals as at 7 May 2008.

B9 Borrowings and Debt Securities

There were no borrowings or debt securities as at 7 May 2008.

B10 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 7 May 2008.

B11 Material Litigation

There was no litigation as at 7 May 2008.

B12 Income Distribution

No distribution has been declared for the financial period ended 31 March 2008.

B13 Earnings per unit

	Current Period 2008	Period 2007	Cumulative Period 2008	Period 2007
Net income after taxation (RM'000)	16,749	7,946	16,749	7,946
Weighted average number of units in issue ('000)	472,001	400,251	472,001	400,251
Basic earnings per unit (sen)	3.55	1.99	3.55	1.99
Distribution per unit (sen)	-	-	-	-

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

7 May 2008