

**AL-HADHARAH BOUSTEAD REIT**  
**UNAUDITED CONDENSED INCOME STATEMENT**

For the quarter ended 30 September 2008	Current period		Cumulative Period	
	2008	Restated 2007	2008	Restated 2007
	RM'000	RM'000	RM'000	RM'000
<b>Rental income</b>				
- fixed	10,399	10,325	31,195	27,782
- performance-based (unrealised)	7,500	5,278	23,000	10,240
	17,899	15,603	54,195	38,022
Plantation operating expenses	(383)	(337)	(1,143)	(937)
Net rental income	17,516	15,266	53,052	37,085
Dividend income	73	-	99	-
Profit earned from deposits	60	90	180	366
Gain on disposal of investment properties		20		20
Net realised gain on disposal of investment in quoted securities	-	-	43	-
	17,649	15,376	53,374	37,471
Other expenses	(653)	(417)	(1,958)	(1,126)
	16,996	14,959	51,416	36,345
Unrealised losses on valuation of investment in quoted securities	(1,071)	-	(1,845)	-
<b>Net income before taxation</b>	15,925	14,959	49,571	36,345
Taxation	-	-	-	-
<b>Net income after taxation</b>	<b>15,925</b>	<b>14,959</b>	<b>49,571</b>	<b>36,345</b>
<b>Earnings per unit (sen)</b>	<b>3.37</b>	<b>3.30</b>	<b>10.50</b>	<b>8.69</b>
<b>Proposed distribution per unit (sen)</b>	<b>-</b>	<b>-</b>	<b>3.69</b>	<b>3.69</b>
<b>Net income after taxation for the period is made up as follows:</b>				
Realised	9,496	9,681	28,416	26,105
Unrealised	6,429	5,278	21,155	10,240
	15,925	14,959	49,571	36,345

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**

<b>As at 30 September 2008</b>	<b>Restated Audited 31 December</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
Investment properties	483,847	479,816
Investment in quoted securities	4,136	3,198
Receivables	26,846	17,099
Deposits with financial institution	-	17,707
Cash and bank balances	209	14
<b>TOTAL ASSETS</b>	<b>515,038</b>	<b>517,834</b>
<b>LIABILITIES</b>		
Payables	7,236	8,107
Provision for distribution	-	34,079
<b>TOTAL LIABILITIES</b>	<b>7,236</b>	<b>42,186</b>
<b>NET ASSET VALUE</b>	<b>507,802</b>	<b>475,648</b>
<b>UNITHOLDERS' FUND</b>		
Unitholders' capital	472,181	472,181
Undistributed income	35,621	3,467
<b>TOTAL UNITHOLDERS' FUND</b>	<b>507,802</b>	<b>475,648</b>
<b>UNITS IN CIRCULATION ('000)</b>	<b>472,001</b>	<b>472,001</b>
<b>NET ASSET VALUE (NAV) PER UNIT (RM)</b>	<b>1.0758</b>	<b>1.0077</b>

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**

<b>For the quarter ended 30 September 2008</b>	<b>Unitholders' Capital</b>	<b>Undistributed income</b>		<b>Unitholders' Fund</b>
	<b>RM'000</b>	<b>Realised RM'000</b>	<b>Unrealised RM'000</b>	<b>RM'000</b>
<b>At 1 January 2008</b>				
As previously stated	472,181	979	(23)	473,137
Reclassification of replanting expenditure	-	2,511	-	2,511
<b>At 1 January 2008 (restated)</b>	<u>472,181</u>	<u>3,490</u>	<u>(23)</u>	<u>475,648</u>
Net income for the period	-	28,416	21,155	49,571
Distribution to unitholders	-	(17,417)	-	(17,417)
<b>At 30 September 2008</b>	<u>472,181</u>	<u>14,489</u>	<u>21,132</u>	<u>507,802</u>
<b>At 11 December 2006 (date of establishment)</b>	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)
<b>At 30 September 2007</b>	<u>472,181</u>	<u>9,683</u>	<u>-</u>	<u>481,864</u>
<b>At 30 September 2007</b>				
As previously stated	472,181	9,683	-	481,864
Reclassification of replanting expenditure	-	1,653	-	1,653
Accrual of performance-based profit sharing	-	-	10,240	10,240
<b>At 30 September 2007 (restated)</b>	<u>472,181</u>	<u>11,336</u>	<u>10,240</u>	<u>493,757</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 30 September 2008**

	<b>2008</b>	<b>Restated 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Net income before taxation	49,571	36,345
Adjustments for:		
Profit earned from deposits	(180)	(366)
Dividend income	(99)	-
Net realised gain on disposal of investment in quoted securities	(43)	-
Net unrealised losses on valuation of investment in quoted securities	1,845	-
<b>Operating profit before changes in working capital</b>	<b>51,094</b>	<b>35,979</b>
Receivables	(9,747)	(13,988)
Payables	(3,170)	4,094
<b>Net cash from operating activities</b>	<b>38,177</b>	<b>26,085</b>
<b>INVESTING ACTIVITIES</b>		
Purchase and enhancement of investment properties	(1,729)	(222,314)
Purchase of quoted securities	(2,925)	-
Proceeds from disposal of quoted securities	185	-
Profit earned from deposits	193	366
Net dividends received	83	-
<b>Net cash used in investing activities</b>	<b>(4,193)</b>	<b>(221,948)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	-	229,680
Listing expenses	-	(9,500)
Distribution paid	(51,496)	(14,769)
<b>Net cash (used in)/from financing activities</b>	<b>(51,496)</b>	<b>205,411</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(17,512)</b>	<b>9,548</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>17,721</b>	<b>1</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>209</b>	<b>9,549</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		
Cash and bank balances	209	9,541
Shariah-based deposits with financial institution	-	8
	<b>209</b>	<b>9,549</b>

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 30 September 2008****Part A - Explanation Notes Pursuant to FRS 134****A1 Basis of Preparation**

The interim 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.

**A2 Change in Accounting Policy and Restatement of Comparatives**

The accounting policies and methods of computations are consistent with those used in the preparation of the audited financial statements for the period ended 31 December 2007, except for the followings:

- (a) Replanting expenditure was previously charged to the income statement when incurred. The expenditure on replanting incurred up to the time of maturity is now being capitalised and recognised as additions to the carrying amount of the plantation assets. Carrying value of the oil palm plantings which are replaced will be written off to the income statement during the period when it is incurred. The replanting expenditure is capitalised to reflect the replacement of old palms and the biological transformation of the new replants which will enhance and ensure sustainability of the yields of the plantation assets.
- (b) 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. It is estimated that the enhanced yield rental income to date would be RM23.0 million. The amount which is unrealised at the end of the current quarter has been accrued in the income statement.

The effect of the above changes on the comparatives are summarised below:

	As previously stated RM'000	Increase/(Decrease)		As restated RM'000
		(a) RM'000	(b) RM'000	
<b>Income Statement for period ended 30.9.2007</b>				
Net income before taxation	24,452	1,653	10,240	36,345
<b>Balance Sheet as at 31.12.2007</b>				
Investment Properties	477,305	2,511	-	479,816
Unitholders' Fund	473,137	2,511	-	475,648

**A3 Audit Report of Preceding Financial Year Ended 31 December 2007**

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

**A4 Seasonality or Cyclicity of Operations**

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

**A5 Unusual Items**

There were no unusual items to be disclosed for the current quarter under review except for the change in accounting policy as described in Note A2 (a).

**A6 Changes in Estimates**

There were no material changes in estimates of amounts previously reported.

**A7 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.

**A8 Income Distributed**

During the quarter under review, interim distribution of 3.69 sen per unit amounting to RM17,416,837 for the first half of the financial year ending 31 December 2008 was paid on 29 August 2008.

**A9 Segmental Information**

This is not applicable.

**A10 Valuation of Investment Properties**

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

**A11 Subsequent Events**

Please refer to Note B8.

**A12 Changes in Composition of The Fund**

This is not applicable.

**A13 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**

For the quarter ended 30 September 2008, Al-Hadharah Boustead REIT posted an unaudited net income before tax of RM15.9 million, representing an increase of 6.4% when compared to last year's corresponding quarter. Net income to date before tax to date increased to RM49.6 million when compared with last year's result of RM36.3 million, mainly due to higher performance-based rental income.

**B2 Comparison with Preceding Quarter**

	<b>Current Quarter 30.9.2008 RM'000</b>	<b>Preceding Quarter 30.6.2008 RM'000</b>
Revenue	17,899	17,498
Net income before taxation	15,925	16,332

Revenue for the current quarter was slightly higher than the preceding quarter but higher unrealised losses from investment in quoted securities have resulted in a lower net income.

**B3 Prospects**

Declining palm oil prices will reduce performance-based rental income of the Fund for the remainder of the year.

**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**

	<b>Current Period 2008 RM'000</b>	<b>Cumulative Period 2008 RM'000</b>
<u>Purchases and disposals:</u>		
Total purchase consideration	254	2,925
Total sale proceeds	185	185
Total profit on disposal	43	43
<u>Investment as at 30 September 2008:</u>		<b>RM'000</b>
At cost		5,998
At carrying value/book value		4,136
At market value		4,136

Investments in quoted securities are Shariah-compliant and marked to market value.

**B8 Corporate Developments**

During the quarter, the Fund had announced the proposed acquisition of Malakoff Estate and Bebar Estate (Plantation Assets) from Boustead Rimba Nilai Sdn Bhd and Boustead Holdings Berhad for an aggregate purchase consideration of RM188.8 million and the subsequent lease of the Plantation Assets by Boustead Plantations Bhd from the Fund. The purchase consideration is to be satisfied by cash of RM95.3 million and the issuance of 85,000,000 new units at RM1.10 per unit. The cash consideration shall be funded by way of Shariah-compliant financing.

**B9 Borrowings and Debt Securities**

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

**B10 Off Balance Sheet Financial Instruments**

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

**B11 Material Litigation**

There was no litigation as at 7 November 2008.

**B12 Income Distribution**

No distribution has been declared for the current quarter.

**B13 Earnings per unit**

	<b>Current Period 2008</b>	<b>Period Restated 2007</b>	<b>Cumulative Period 2008</b>	<b>Period Restated 2007</b>
<b>Net income after taxation (RM'000)</b>	15,925	14,959	49,571	36,345
<b>Weighted average number of units in issue ('000)</b>	472,001	453,284	472,001	418,123
<b>Basic earnings per unit (sen)</b>	3.37	3.30	10.50	8.69
<b>Distribution per unit (sen)</b>	-	-	3.69	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

7 November 2008