

AL-HADHARAH BOUSTEAD REIT
UNAUDITED CONDENSED INCOME STATEMENT

For the quarter ended 31 December 2008	Current period		Cumulative Period	
	2008	Restated 2007	2008	Restated 2007
	RM'000	RM'000	RM'000	RM'000
Rental income				
- fixed	10,397	10,325	41,592	38,107
- performance-based	2,911	6,838	25,911	17,078
	13,308	17,163	67,503	55,185
Plantation operating expenses	(362)	(350)	(1,505)	(1,287)
Net rental income	12,946	16,813	65,998	53,898
Dividend income	123	14	222	14
Profit earned from deposits	13	91	193	457
Gain on disposal of investment properties		-		20
Net realised loss on disposal of investment in quoted securities	(71)	-	(28)	-
	13,011	16,918	66,385	54,389
Other expenses	(915)	(925)	(2,873)	(2,051)
Realised profit before taxation	12,096	15,993	63,512	52,338
Unrealised losses on valuation of investment in quoted securities	(566)	(23)	(2,411)	(23)
Unrealised fair value gain on investment properties	129,047		129,047	
Profit before taxation	140,577	15,970	190,148	52,315
Taxation	-	-	-	-
Net profit	140,577	15,970	190,148	52,315
Earnings per unit (sen)				
- realised	2.53	3.39	13.42	12.02
- unrealised	26.91	-	26.75	-
	29.44	3.39	40.17	12.02
Proposed distribution per unit (sen)	7.34	7.22	11.03	10.91
Net profit for the period is made up as follows:				
Realised	12,096	15,993	63,512	52,338
Unrealised	128,481	(23)	126,636	(23)
	140,577	15,970	190,148	52,315

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 December 2008	Restated Audited 31 December	
	2008	2007
	RM'000	RM'000
ASSETS		
Non-current assets		
Investment properties	808,043	479,816
Current assets		
Investment in quoted securities	4,109	3,198
Receivables	25,976	17,099
Shariah-compliant deposits with financial institution	7,830	17,707
Cash and bank balances	25	14
	<u>37,940</u>	<u>38,018</u>
TOTAL ASSETS	<u>845,983</u>	<u>517,834</u>
LIABILITIES		
Current liabilities		
Shariah-compliant financing facility	95,000	-
Payables	9,104	8,107
Provision for distribution	40,884	34,079
	<u>144,988</u>	<u>42,186</u>
TOTAL LIABILITIES	<u>144,988</u>	<u>42,186</u>
NET ASSET VALUE	<u>700,995</u>	<u>475,648</u>
UNITHOLDERS' FUND		
Unitholders' capital	565,681	472,181
Undistributed profit	135,314	3,467
TOTAL UNITHOLDERS' FUND	<u>700,995</u>	<u>475,648</u>
UNITS IN CIRCULATION ('000)	557,001	472,001
NET ASSET VALUE (NAV) PER UNIT (RM)	1.2585	1.0077

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 December 2008	Unitholders' Capital	Undistributed profit		Unitholders' Fund
	RM'000	Realised	Unrealised	RM'000
At 1 January 2008				
As previously stated	472,181	979	(23)	473,137
Reclassification of replanting expenditure	-	2,511	-	2,511
At 1 January 2008 (restated)	<u>472,181</u>	<u>3,490</u>	<u>(23)</u>	<u>475,648</u>
Issuance of units	93,500	-	-	93,500
Net profit for the year		63,512	126,636	190,148
Distribution to unitholders	-	(58,301)	-	(58,301)
At 31 December 2008	<u>565,681</u>	<u>8,701</u>	<u>126,613</u>	<u>700,995</u>
At 11 December 2006 (date of establishment)	1	-	-	1
Issuance of units	481,680	-	-	481,680
Listing expenses	(9,500)	-	-	(9,500)
Net profit for the period	-	52,338	(23)	52,315
Distribution to unitholders	-	(48,848)	-	(48,848)
At 31 December 2007	<u>472,181</u>	<u>3,490</u>	<u>(23)</u>	<u>475,648</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 December 2008

	2008	Restated 2007
	RM'000	RM'000
OPERATING ACTIVITIES		
Cash receipts from customers	58,670	41,549
Cash paid to suppliers	(3,738)	(2,662)
Cash generated from operations	<u>54,932</u>	<u>38,887</u>
Income taxes (paid)/refunded	-	-
Net cash from operating activities	<u>54,932</u>	<u>38,887</u>
INVESTING ACTIVITIES		
Purchase and enhancement of investment properties	(105,323)	(223,866)
Purchase of quoted Shariah-compliant securities	(3,890)	(3,221)
Proceeds from disposal of investment properties	540	42
Profit earned from Shariah-based deposits	205	457
Net dividends received	166	10
Net cash used in investing activities	<u>(108,302)</u>	<u>(226,578)</u>
FINANCING ACTIVITIES		
Proceeds from issuance of units	-	229,680
Proceeds from Shariah-compliant financing facility	95,000	-
Listing expenses	-	(9,500)
Distributions paid	(51,496)	(14,769)
Net cash from financing activities	<u>43,504</u>	<u>205,411</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(9,866)	17,720
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>17,721</u>	<u>1</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>7,855</u>	<u>17,721</u>
Cash and cash equivalents at end of year comprise:		
Cash and bank balances	25	14
Shariah-based deposits with financial institution	7,830	17,707
Cash and cash equivalents at end of year	<u>7,855</u>	<u>17,721</u>

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 December 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 following:

- (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.

The effects of the above change on the comparatives are summarised below:

	As previously stated RM'000	Adjustment (a) RM'000	As restated RM'000
Income Statement for year ended 31.12.2007			
Profit before taxation	49,804	2,511	52,315
Balance Sheet as at 31.12.2007			
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, except for the issuance of new units as disclosed under Note B8.

A8 Income Distributed

A final distribution of 7.34 sen per unit amounting to RM40,883,873 was provided in the accounts for the quarter under review in respect of the year ended 31 December 2008. The distribution to be payable on 27 February 2009 is made up of fixed dividend of 3.69 sen per unit and variable dividend of 3.65 sen per unit.

A9 Segmental Information

This is not applicable.

A10 Valuation of Investment Properties

The revaluation of investment properties in compliance with FRS 140 contributed a fair value gain of RM129.0 million. The fair value gain recognised in the Income Statement in the period under review is unrealised and not available for distribution.

A11 Subsequent Events

Notice of compulsory acquisition was received on 28 August 2008, involving land area of 6.373 hectares (63,730 square metres) held under Lot Nos. 3018 and 1298 of the Malakoff Estate.

A12 Changes in Composition of The Fund

The Fund size had increased from 472,001,000 units to 557,000,000 with the successful issuance and listing of 85,000,000 units on 26 December 2008.

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**

Al-Hadharah Boustead REIT posted an unaudited realised profit before tax of RM12.1 million for the 4th quarter of the year, which was 24% lower than last year's corresponding quarter owing to the plunge in palm oil prices. However, profit before tax to date increased by 21% to RM63.5 million when compared with last year's result of RM52.3 million, mainly due to higher performance-based rental income for the whole year.

B2 Comparison with Preceding Quarter

	Current Quarter 31.12.2008 RM'000	Preceding Quarter 30.9.2008 RM'000
Revenue	13,308	17,899
Profit before taxation	140,577	15,925

Revenue for the current quarter was lower than the preceding quarter, owing to the lower performance-based profit sharing recognised for the current quarter. Profit before taxation for the quarter has gone up due to the incorporation of the fair value gain from revaluation of investment properties in compliance with FRS 140.

B3 Prospects

Despite the volatility in CPO prices, the Fund remains bullish on its long term growth and performance especially as palm oil prices are returning to satisfactory levels. The enhanced asset base will also contribute increased earnings for the Fund.

B4 Variance of Profit Forecast or Profit Guarantee

The profit before tax of RM190.1 million is higher than RM34.5 million forecast in the Prospectus dated 15 January 2007, mainly due to additional income from the performance-based profit sharing of RM25.9 million, reclassification of replanting expenditure of RM4.0 million as capital item and the recognition of unrealised loss on valuation of investment in quoted shares of RM2.4 million and unrealised fair value gain on revaluation of investment properties of RM129.0 million.

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, except for the acquisition of Malakoff and Bebar estates as disclosed under Note B8.

B7 Quoted Investments

	Current Period 2008 RM'000	Cumulative Period 2008 RM'000
<u>Purchases and disposals:</u>		
Total purchase consideration	965	3,890
Total sale proceeds	355	540
Total profit/(loss) on disposal	(71)	(28)
<u>Investment as at 31 December 2008:</u>		RM'000
At cost		6,529
At carrying value/book value		4,109
At market value		4,109

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

B8 Corporate Developments

During the quarter, the Fund had completed the acquisition of Malakoff Estate and Bebar Estate from Boustead Rimba Nilai Sdn Bhd and Boustead Holdings Berhad respectively for an aggregate purchase consideration of RM188.8 million. The purchase consideration was satisfied by cash of RM95.3 million and the issuance of 85,000,000 new units at RM1.10 per unit. The cash consideration was partly funded via Shariah-compliant financing facilities.

B9 Borrowings and Debt Securities

The Fund had taken up Shariah-compliant financing facilities totaling RM103.0 million with Affin Islamic Bank Berhad in the current quarter, of which RM95.0 million was used to part finance the acquisition of Malakoff Estate and Bebar Estate. The balance of RM8.0 million will be utilised for working capital purposes. The financing facilities are long term and secured.

B10 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 30 January 2009.

B11 Material Litigation

There was no litigation as at 30 January 2009.

B12 Income Distribution

For the period under review, a provision of income distribution of RM40,883,873 has been made in the accounts for the fixed dividend of 3.69 sen and the variable dividend of 3.65 sen per unit, to be payable on 27 February 2009.

B13 Earnings per unit

	Current Period		Cumulative Period	
	2008	Restated 2007	2008	Restated 2007
Net profit for the period (RM'000)	140,577	15,970	190,148	52,315
Weighted average number of units in issue ('000)	477,544	472,001	473,394	435,358
Basic earnings per unit (sen)	29.44	3.39	40.17	12.02
Distributions per unit (sen)	7.34	7.22	11.03	10.91

By Order of the Board

TAN LEH KIAH
SUZANA BINTI AHMAD (BAR COUNCIL NO. BC/S/356)
Company Secretary
Boustead REIT Managers Sdn Bhd (90953-K)
As the Manager of Al-Hadharah Boustead REIT
Kuala Lumpur

30 January 2009