

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

For the quarter ended 31 December 2009	Current period		Cumulative Period	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<b>Rental income</b>				
- fixed	13,304	10,397	53,220	41,592
- performance-based	5,811	2,911	17,811	25,911
	19,115	13,308	71,031	67,503
Plantation operating expenses	(394)	(362)	(1,559)	(1,505)
Net rental income	18,721	12,946	69,472	65,998
Dividend income	63	123	178	222
Profit earned from deposits	16	13	101	193
Gain on disposal of investment properties	-	-	6,539	-
Gain/(loss) on disposal of investment in quoted securities	58	(71)	430	(28)
	18,858	13,011	76,720	66,385
Fees to:				
Manager	(604)	(476)	(2,238)	(2,153)
Trustee	(46)	(40)	(179)	(150)
Auditors	(4)	(4)	(16)	(16)
Tax agent	1	(2)	(11)	(8)
Shariah adviser	(2)	(3)	(11)	(12)
Valuers	(220)	(129)	(220)	(129)
Profit sharing expenses on financing	(1,054)	(124)	(4,615)	(124)
Other expenses	(146)	(137)	(358)	(281)
<b>Realised operating profit</b>	<b>16,783</b>	<b>12,096</b>	<b>69,072</b>	<b>63,512</b>
Unrealised gain/(loss) on valuation of investment in quoted securities	40	(566)	1,586	(2,411)
Unrealised fair value gain on investment properties	12,512	129,047	12,512	129,047
<b>Profit before taxation</b>	<b>29,335</b>	<b>140,577</b>	<b>83,170</b>	<b>190,148</b>
Taxation	-	-	-	-
<b>Net profit</b>	<b>29,335</b>	<b>140,577</b>	<b>83,170</b>	<b>190,148</b>
<b>Net profit for the period is made up as follows:</b>				
- realised	16,783	12,096	69,072	63,512
- unrealised	12,552	128,481	14,098	126,636
	29,335	140,577	83,170	190,148
<b>Earnings per unit (sen)</b>				
- realised	3.01	2.53	12.40	13.42
- unrealised	2.25	26.91	2.53	26.75
	5.26	29.44	14.93	40.17
<b>Earnings per unit (sen)</b>				
- after Manager's fee	5.26	29.44	14.93	40.17
- before Manager's fee	5.38	29.54	15.33	40.62
<b>Distribution per unit (sen)</b>	<b>5.61</b>	<b>7.34</b>	<b>9.30</b>	<b>11.03</b>

The Unaudited Condensed Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008.

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

<b>As at 31 December 2009</b>	<b>Audited 31 December</b>	
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment properties	831,259	808,043
<b>Current assets</b>		
Investment in quoted securities	5,450	4,109
Receivables	17,882	25,976
Shariah-based deposits with financial institution	10,945	7,830
Cash and bank balances	19	25
	<u>34,296</u>	<u>37,940</u>
<b>TOTAL ASSETS</b>	<b><u>865,555</u></b>	<b><u>845,983</u></b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	6,938	9,104
Revolving credit-i	95,000	95,000
Cash line-i	5	-
Provision for distribution	31,248	40,884
	<u>133,191</u>	<u>144,988</u>
<b>TOTAL LIABILITIES</b>	<b><u>133,191</u></b>	<b><u>144,988</u></b>
<b>NET ASSET VALUE</b>	<b><u>732,364</u></b>	<b><u>700,995</u></b>
<b>UNITHOLDERS' FUND</b>		
Unitholders' capital	565,681	565,681
Undistributed profit	166,683	135,314
<b>TOTAL UNITHOLDERS' FUND</b>	<b><u>732,364</u></b>	<b><u>700,995</u></b>
<b>UNITS IN CIRCULATION ('000)</b>	<b>557,001</b>	<b>557,001</b>
<b>NET ASSET VALUE (NAV) PER UNIT (RM)</b>	<b>1.3148</b>	<b>1.2585</b>

The Unaudited Condensed Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008.

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

<b>For the quarter ended 31 December 2009</b>	<b>Unitholders' Capital</b>	<b>Undistributed Profit</b>		<b>Unitholders' Fund</b>
	<b>RM'000</b>	<b>Realised</b>	<b>Unrealised</b>	<b>RM'000</b>
<b>At 1 January 2009</b>	565,681	8,687	126,627	700,995
Net profit for the period	-	69,072	14,098	83,170
Transfer from unrealised to realised	-	(395)	395	-
Distribution to unitholders	-	(51,801)	-	(51,801)
<b>At 31 December 2009</b>	<u>565,681</u>	<u>25,563</u>	<u>141,120</u>	<u>732,364</u>
 <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>
Issuance of units	93,500	-	-	93,500
Net profit for the period	-	63,512	126,636	190,148
Transfer from unrealised to realised	-	(14)	14	-
Distribution to unitholders	-	(58,301)	-	(58,301)
<b>At 31 December 2008</b>	<u>565,681</u>	<u>8,687</u>	<u>126,627</u>	<u>700,995</u>

The Unaudited Condensed Statement of Changes in Net Asset Value should be read in conjunction with the audited financial statements for the year ended 31 December 2008.

**AL-HADHARAH BOUSTEAD REIT**  
**UNAUDITED CONDENSED CASH FLOW STATEMENT**

**For the quarter ended 31 December 2009**

	2009	2008
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Cash receipts from customers	80,075	58,670
Cash paid to suppliers	(5,099)	(3,738)
Cash generated from operations	<u>74,976</u>	<u>54,932</u>
Income taxes (paid)/refunded	-	-
<b>Net cash from operating activities</b>	<u>74,976</u>	<u>54,932</u>
<b>INVESTING ACTIVITIES</b>		
Purchase and enhancement of investment properties	(13,641)	(105,323)
Purchase of quoted Shariah-compliant securities	(1,442)	(3,890)
Proceeds from disposal of investment properties	6,896	540
Proceeds from disposal of quoted securities	2,117	-
Profit received from Shariah-based deposits	101	205
Net dividends received	178	166
<b>Net cash used in investing activities</b>	<u>(5,791)</u>	<u>(108,302)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from Shariah-compliant financing facility	-	95,000
Profit sharing expenses on financing paid	(4,644)	-
Distributions paid	(61,437)	(51,496)
<b>Net cash (used in)/from financing activities</b>	<u>(66,081)</u>	<u>43,504</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,104</b>	<b>(9,866)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>7,855</b>	<b>17,721</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>10,959</u></b>	<b><u>7,855</u></b>
<b>Cash and cash equivalents at end of year comprise:</b>		
Cash and bank balances	19	25
Shariah-based deposits with financial institution	10,945	7,830
Cash line-i	(5)	-
<b>Cash and cash equivalents at end of period</b>	<b><u>10,959</u></b>	<b><u>7,855</u></b>

The Unaudited Condensed Cash Flow Statement should be read in conjunction with the audited financial statements for the period ended 31 December 2008.

## **AL-HADHARAH BOUSTEAD REIT**

### **Notes to the Interim Financial Report for the Quarter Ended 31 December 2009**

#### **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 year ended 31 December 2008.

The accounting policies and methods of computations are consistent with those used in the preparation of the audited financial statements for the year ended 31 December 2008.

##### **A2 Audit Report of Preceding Financial Year Ended 31 December 2008**

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.

##### **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 Distribution Paid**

(i) Final distribution of 7.34 sen per unit in respect of the financial year ended 31 December 2008 amounting to RM40.9 million was paid on 26 February 2009.

(ii) Interim distribution of 3.69 sen per unit for the current financial year amounting to RM20.5 million was paid on 28 August 2009.

##### **A8 Segmental Information**

This is not applicable.

##### **A9 Valuation of Investment Properties**

The revaluation of investment properties in compliance with FRS 140 and also in compliance of the Guidelines on REIT of Securities Commission contributed a fair value gain of RM12.5 million. The fair value gain recognised in the Income Statement in the period under review is unrealised and not available for distribution.

##### **A10 Material Events**

There were no material events as at the latest practicable date from the date of this report.

##### **A11 Changes in Composition of The Fund**

There was no change in the composition of the fund size for the current quarter and the fund size stands at 557,001,000 units.

##### **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 (Fund) posted an unaudited realised profit before tax of RM16.8 million for the current quarter, a slight improvement when compared with last year's corresponding quarter. However, profit before tax to date has increased to RM69.1 million against last year's result of RM63.5 million. This was mainly due to gain on disposal of 5.48 hectares of Malakoff Estate amounting to RM6.5 million. On the other hand, the performance-based rental income of RM17.8 million was 31% lower than last year's.

As of 1 January 2010, the new Ijarah rental agreement is effective having a revised fixed rental of RM57.8 million and a CPO reference price of RM2,000 per MT.

### B2 Comparison with Preceding Quarter

	Current Quarter 31.12.2009 RM'000	Preceding Quarter 30.9.2009 RM'000
Revenue	19,115	18,304
Profit after taxation	29,335	17,027

The performance-based rental income of RM5.8 million resulted in a higher revenue and the incorporation of the fair value gain from revaluation of investment properties of RM12.5 million contributed to a higher profit for the current quarter.

### B3 Prospects

The Fund's performance for the coming year is expected to be satisfactory with palm oil prices to remain healthy given the potential supply disruption due to weather conditions and increasing demand for edible vegetable oils.

### B4 Variance of Profit Forecast or Profit Guarantee

The profit before tax of RM83.2 million is higher than RM34.8 million forecast in the Prospectus dated 15 January 2007, mainly due to additional income from the fixed rental of RM11.9 million and performance-based rental of RM17.8 million, reclassification of replanting expenditure of RM9.7 million as capital item, gain on disposal of investment properties of RM6.5 million, unrealised gain on valuation of investment in quoted shares of RM1.6 million and the recognition of unrealised fair value gain on revaluation of investment properties of RM12.5 million. Meanwhile, the finance costs of RM4.6 million incurred during the year resulting from utilisation of Revolving Credit facility of RM95.0 million for acquisition of Bebar and Malakoff Estates has also contributed to higher operating expenses.

### 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 taxable profit 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 2009 RM'000	Cumulative Period 2009 RM'000
<u>Purchases and disposals:</u>		
Total purchase consideration	18	1,443
Total sale proceeds	310	2,117
Total profit/(loss) on disposal	58	430
<u>Investment as at 31 December 2009:</u>		
At cost		5,889
At carrying value/book value		5,645
At market value		5,645

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

**B8 Corporate Developments**

There were no outstanding proposals as at 29 January 2010.

**B9 Financing/Borrowings and Debt Securities**

	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Shariah-compliant financing facilities - secured	95,005	95,000

**B10 Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 29 January 2010.

**B11 Material Litigation**

There was no litigation as at 29 January 2010.

**B12 Distribution Payable**

A final distribution of 5.61 sen per unit amounting to RM31,247,756 was provided in the accounts for the quarter under review in respect of the year ended 31 December 2009. The distribution to be payable on 25 February 2010 is made up of fixed dividend of 3.69 sen per unit and variable dividend of 1.92 sen per unit.

**B13 Earnings per unit**

	<b>Current Period</b>		<b>Cumulative Period</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
<b>Net profit for the period (RM'000)</b>	29,335	140,577	83,170	190,148
<b>Weighted average number of units in issue ('000)</b>	557,001	477,544	557,001	473,394
<b>Basic earnings per unit (sen)</b>	5.26	29.44	14.93	40.17
<b>Distributions per unit (sen)</b>	5.61	7.34	9.30	11.03

By Order of the Board

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

29 January 2010