

AL-HADHARAH BOUSTEAD REIT
UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended 30 June 2010	Current period		Cumulative period	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Rental income				
- fixed	14,461	13,302	29,110	26,612
- performance-based (unrealised)	3,600	4,500	7,200	7,000
	<u>18,061</u>	<u>17,802</u>	<u>36,310</u>	<u>33,612</u>
Plantation operating expenses	(383)	(323)	(762)	(762)
Net rental income	<u>17,678</u>	<u>17,479</u>	<u>35,548</u>	<u>32,850</u>
Dividend income	27	34	36	34
Profit earned from deposits	43	23	81	53
Net realised gain on disposal of:				
- investment properties	-	-	-	6,539
- held for trading securities	104	30	234	30
	<u>17,852</u>	<u>17,566</u>	<u>35,899</u>	<u>39,506</u>
Fees to:				
Manager	(547)	(560)	(1,082)	(1,055)
Trustee	(46)	(45)	(90)	(88)
Auditors	(5)	(4)	(10)	(8)
Tax agent	(2)	(2)	(4)	(7)
Shariah adviser	(4)	(3)	(8)	(6)
Profit sharing expenses on financing	(972)	(1,244)	(1,922)	(2,508)
Other expenses	(37)	(44)	(82)	(102)
	<u>16,239</u>	<u>15,664</u>	<u>32,701</u>	<u>35,732</u>
Unrealised gain/(loss) on valuation of held for trading securities	(294)	908	(112)	1,076
Unrealised fair value gain on investment properties	-	-	-	-
Profit before taxation	<u>15,945</u>	<u>16,572</u>	<u>32,589</u>	<u>36,808</u>
Taxation	-	-	-	-
Net profit/ total comprehensive income for the period	<u>15,945</u>	<u>16,572</u>	<u>32,589</u>	<u>36,808</u>
Net profit/ total comprehensive income for the period is made up as follows:				
- realised	12,639	11,164	25,501	28,732
- unrealised	3,306	5,408	7,088	8,076
	<u>15,945</u>	<u>16,572</u>	<u>32,589</u>	<u>36,808</u>
Earnings per unit (sen):				
- realised	2.27	2.00	4.58	5.16
- unrealised	0.59	0.97	1.27	1.45
	<u>2.86</u>	<u>2.97</u>	<u>5.85</u>	<u>6.61</u>
Earnings per unit (sen):				
- after Manager's fee	2.86	2.97	5.85	6.61
- before Manager's fee	2.96	3.08	6.05	6.80
Distribution per unit (sen)	3.80	3.69	3.80	3.69

The Unaudited Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009.

AL-HADHARAH BOUSTEAD REIT
UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010	Audited 31 December	
	2010 RM'000	2009 RM'000
ASSETS		
Non-current assets		
Investment properties	836,224	831,259
Current assets		
Held for trading securities	5,082	5,450
Receivables	7,380	17,882
Shariah-based deposits with financial institution	18,097	10,945
Cash and bank balances	16	14
	<u>30,575</u>	<u>34,291</u>
TOTAL ASSETS	<u>866,799</u>	<u>865,550</u>
LIABILITIES		
Current liabilities		
Payables	6,846	6,938
Shariah-compliant financing facility	95,000	95,000
Provision for distribution	-	31,248
	<u>101,846</u>	<u>133,186</u>
TOTAL LIABILITIES	<u>101,846</u>	<u>133,186</u>
NET ASSET VALUE	<u>764,953</u>	<u>732,364</u>
UNITHOLDERS' FUND		
Unitholders' capital	565,681	565,681
Undistributed profit	199,272	166,683
TOTAL UNITHOLDERS' FUND	<u>764,953</u>	<u>732,364</u>
UNITS IN CIRCULATION ('000)	557,001	557,001
NET ASSET VALUE (NAV) PER UNIT (RM)	1.3733	1.3148

The Unaudited Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009.

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

For the financial period ended 30 June 2010	Unitholders' capital	Undistributed profit		Unitholders' fund
	RM'000	Realised	Unrealised	RM'000
At 1 January 2010	565,681	25,563	141,120	732,364
Total comprehensive income for the period	-	25,501	7,088	32,589
Transfer from unrealised to realised		39	(39)	-
At 30 June 2010	565,681	51,103	148,169	764,953
At 1 January 2009	565,681	8,687	126,627	700,995
Total comprehensive income for the period	-	28,732	8,076	36,808
Transfer from unrealised to realised	-	69	(69)	-
Distribution to unitholders	-	(20,553)	-	(20,553)
At 30 June 2009	565,681	16,935	134,634	717,250

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 2009.

AL-HADHARAH BOUSTEAD REIT
UNAUDITED CONDENSED STATEMENT OF CASH FLOW

For the financial period ended 30 June 2010

	2010	2009
	RM'000	RM'000
OPERATING ACTIVITIES		
Cash receipts from customers	47,360	53,466
Cash paid to suppliers	(2,110)	(3,918)
Net cash from operating activities	45,250	49,548
INVESTING ACTIVITIES		
Purchase and enhancement of investment properties	(5,532)	(7,909)
Purchase of held for trading securities	(1,481)	(1,424)
Proceeds from disposal of investment properties	-	6,933
Proceeds from disposal of held for trading securities	1,970	80
Profit earned from Shariah-based deposits	76	43
Net dividends received	40	51
Net cash used in investing activities	(4,927)	(2,226)
FINANCING ACTIVITIES		
Profit sharing expenses on financing paid	(1,921)	(2,541)
Distributions paid	(31,248)	(40,883)
Net cash used in financing activities	(33,169)	(43,424)
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,154	3,898
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	10,959	7,855
CASH AND CASH EQUIVALENTS AT END OF PERIOD	18,113	11,753
Cash and cash equivalents at end of period comprise:		
Cash and bank balances	16	13
Shariah-based deposits with financial institution	18,097	11,740
	18,113	11,753

The Unaudited Condensed Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009.

AL-HADHARAH BOUSTEAD REIT

Notes to the Interim Financial Report for the Quarter Ended 30 June 2010

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 9.44 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 2009.

A2 Changes in Accounting Policies

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 2009, other than for the adoption of new FRSs, Amendments to FRSs and Interpretations issued which are effective for financial periods beginning on or after 1 January 2010. The adoption of the new FRSs, Amendments to FRSs, and interpretations do not have any impact on the financial statements of the Fund, except as discussed below.

(i) FRS 139: Financial instruments recognition and measurement

The Fund's investment in quoted securities were measured at market value as determined at the end of period date and any increase or decrease in the carrying amount are credited or charged to the income statement as unrealised gains or losses. Following the adoption of FRS 139, this investment is now classified under held for trading securities and continue to be measured at market value through profit and loss, hence there is no impact on the financial statements of the Fund.

(ii) FRS 101: Presentation of financial statements (revised 2009)

The Fund applies FRS 101 (revised) which was effective from 1 January 2010. The revised standard requires all 'non owner changes in equity' to be presented in a statement of comprehensive income which can be presented as a single statement of two statements (comprising the income statement and statement of comprehensive income). The Fund has elected to present the statement of comprehensive income in a single statement. The change affects presentation only, and does not have any impact on the financial position and results of the Fund.

The Fund has not early adopted the following FRSs, Amendments to FRSs and IC Interpretations that are not yet effective:

- FRS 1: First time adoption of financial reporting standards
- FRS 3: Business combinations (revised)
- FRS 127: Consolidated and separate financial statements
- IC Interpretation 12 Service concession arrangements
- IC Interpretation 15 Agreements for the construction of real estate
- IC Interpretation 16: Hedges of a net investment in a foreign operation
- IC Interpretation 17: Distributions of non-cash assets to owners
- Amendments to FRS 2: Share-based payment
- Amendments to FRS 5: Non-current assets held for sale and discontinued operations
- Amendments to FRS 138: Intangible assets
- Amendments to FRS 1: Limited exemption from comparative FRS 7 disclosures for first-time adopters
- Amendments to FRS 7: Improving disclosures about financial instruments
- Amendments to FRS 132: Financial instruments presentation

AL-HADHARAH BOUSTEAD REIT

Notes to the Interim Financial Report for the Quarter Ended 30 June 2010

A3 Audit Report of Preceding Financial Year Ended 31 December 2009

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.

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

Final distribution for for the year ended 31 December 2009 amounting to RM31,247,756 was paid on 25 February 2010.

A9 Segmental Information

This is not applicable.

A10 Valuation of Investment Properties

There has been no revaluation of investment properties in the current period.

A11 Material Events

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

A12 Changes in Composition of The Fund

There was no change in the composition of the fund size for the period under review.

A13 Contingent Liabilities and Contingent Assets

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

A14 Financial Risk Management

All aspects of the Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2009.

AL-HADHARAH BOUSTEAD REIT

Notes to the Interim Financial Report for the Quarter Ended 30 June 2010

Part B - Additional Information Pursuant to Paragraph 9.44 of of the Listing Requirements of Bursa Malaysia Securities Berhad

B1 Performance Review

Al-Hadharah Boustead REIT posted an unaudited profit after tax (PAT) of RM15.9 million for the current quarter, down from last year's corresponding quarter of RM16.6 million. This is mainly due to the unrealised loss on valuation of quoted securities amounting to of RM0.3 million compared with the unrealised gain of RM0.9 million recorded last year.

For the 6 months period ended 30 June 2010, the Fund recorded a higher revenue of RM36.3 million (2009: RM33.6 million) due to the revised fixed rental coupled with higher performance-based rental. However, the PAT achieved was lower at RM32.6 million (2009: RM36.8 million) due to the absence of both gain on disposal of investment properties and unrealised gain on valuation of quoted securities.

The unit price closed at RM1.30 per unit on 30 June 2010 while NAV at the end of the period was RM1.3733 per unit.

B2 Material Changes in Profit After Taxation for the Quarter Compared With the Immediate Preceding Quarter

There were no material changes in the PAT for the quarter under review compared with the immediate preceding quarter.

B3 Prospects

The Fund should continue to perform satisfactorily for the rest of the year with palm oil prices expected to remain healthy giving the potential supply disruptions due to weather conditions and increasing demand for edible vegetable oils.

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 is expected to 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

The Fund does not have any unquoted investments in securities or properties.

AL-HADHARAH BOUSTEAD REIT**Notes to the Interim Financial Report for the Quarter Ended 30 June 2010****B7 Quoted Securities**

	Current Period 2010 RM'000	Cumulative Period 2010 RM'000
<u>Purchases and disposals:</u>		
Total purchase consideration	591	1,481
Total sale proceeds	789	1,970
Total profit on disposal	104	234
<u>Investments as at 30 June 2010:</u>		
At cost		RM'000 5,672
At carrying value/book value		5,194
At market value		5,082

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

B8 Corporate Developments

There were no outstanding proposals as at 13 August 2010.

B9 Financing/Borrowings and Debt Securities

	30.6.2010 RM'000	31.12.2009 RM'000
Shariah-compliant financing facilities - secured	95,000	95,000

B10 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 13 August 2010.

B11 Material Litigation

There was no litigation as at 13 August 2010.

B12 Income Distribution

An interim distribution of 3.8 sen per unit amounting to RM21,166,038 would be payable by 9 September 2010.

B13 Earnings per unit

	Current Period 2010	Period 2009	Cumulative Period 2010	Period 2009
Net profit for the period (RM'000)	15,945	16,572	32,589	36,808
Weighted average number of units in issue ('000)	557,001	557,001	557,001	557,001
Basic earnings per unit (sen)	2.86	2.97	5.85	6.61
Distributions per unit (sen)	3.80	3.69	3.80	3.69

AL-HADHARAH BOUSTEAD REIT

Notes to the Interim Financial Report for the Quarter Ended 30 June 2010

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

13 August 2010