

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

<b>For the quarter ended 30 September 2010</b>	<b>Current period</b>		<b>Cumulative period</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Rental income</b>				
- fixed	<b>14,460</b>	13,304	<b>43,570</b>	39,916
- performance-based (unrealised)	<b>4,400</b>	5,000	<b>11,600</b>	12,000
	<b>18,860</b>	18,304	<b>55,170</b>	51,916
Plantation operating expenses	<b>(425)</b>	(403)	<b>(1,187)</b>	(1,165)
Net rental income	<b>18,435</b>	17,901	<b>53,983</b>	50,751
Dividend income	<b>39</b>	81	<b>75</b>	115
Profit earned from deposits	<b>97</b>	32	<b>178</b>	85
Net realised gain on disposal of:				
- investment properties	<b>-</b>	-	<b>-</b>	6,539
- held for trading securities	<b>317</b>	342	<b>551</b>	372
	<b>18,888</b>	18,356	<b>54,787</b>	57,862
Fees to:				
Manager	<b>(591)</b>	(579)	<b>(1,673)</b>	(1,634)
Trustee	<b>(48)</b>	(45)	<b>(138)</b>	(133)
Auditors	<b>(5)</b>	(4)	<b>(15)</b>	(12)
Tax agent	<b>(2)</b>	(5)	<b>(6)</b>	(12)
Shariah adviser	<b>(3)</b>	(3)	<b>(11)</b>	(9)
Profit sharing expenses on financing	<b>(1,102)</b>	(1,053)	<b>(3,024)</b>	(3,561)
Other expenses	<b>(33)</b>	(110)	<b>(115)</b>	(212)
	<b>17,104</b>	16,557	<b>49,805</b>	52,289
Unrealised gain/(loss) on valuation of held for trading securities	<b>68</b>	470	<b>(44)</b>	1,546
Unrealised fair value gain on investment properties	<b>-</b>	-	<b>-</b>	-
<b>Profit before taxation</b>	<b>17,172</b>	17,027	<b>49,761</b>	53,835
Taxation	<b>-</b>	-	<b>-</b>	-
<b>Net profit/ total comprehensive income for the period</b>	<b>17,172</b>	17,027	<b>49,761</b>	53,835
<b>Net profit/ total comprehensive income for the period is made up as follows:</b>				
- realised	<b>12,704</b>	11,557	<b>38,205</b>	40,289
- unrealised	<b>4,468</b>	5,470	<b>11,556</b>	13,546
	<b>17,172</b>	17,027	<b>49,761</b>	53,835
<b>Earnings per unit (sen):</b>				
- realised	<b>2.28</b>	2.07	<b>6.86</b>	7.23
- unrealised	<b>0.80</b>	0.98	<b>2.07</b>	2.43
	<b>3.08</b>	3.05	<b>8.93</b>	9.66
<b>Earnings per unit (sen):</b>				
- after Manager's fee	<b>3.08</b>	3.05	<b>8.93</b>	9.67
- before Manager's fee	<b>3.19</b>	3.16	<b>9.23</b>	9.96
<b>Distribution per unit (sen)</b>	<b>-</b>	-	<b>3.80</b>	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**

<b>As at 30 September 2010</b>	<b>Audited</b>	
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment properties	839,731	831,259
<b>Current assets</b>		
Held for trading securities	3,835	5,450
Receivables	16,894	17,882
Shariah-based deposits with financial institution	6,124	10,945
Cash and bank balances	186	14
	<u>27,039</u>	<u>34,291</u>
<b>TOTAL ASSETS</b>	<u>866,770</u>	<u>865,550</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	9,709	6,938
Shariah-compliant financing facility	95,000	95,000
Cash line-i	1,102	-
Provision for distribution	-	31,248
	<u>105,811</u>	<u>133,186</u>
<b>TOTAL LIABILITIES</b>	<u>105,811</u>	<u>133,186</u>
<b>NET ASSET VALUE</b>	<u>760,959</u>	<u>732,364</u>
<b>UNITHOLDERS' FUND</b>		
Unitholders' capital	565,681	565,681
Undistributed profit	195,278	166,683
<b>TOTAL UNITHOLDERS' FUND</b>	<u>760,959</u>	<u>732,364</u>
<b>UNITS IN CIRCULATION ('000)</b>	<b>557,001</b>	<b>557,001</b>
<b>NET ASSET VALUE (NAV) PER UNIT (RM)</b>	<b>1.3662</b>	<b>1.3148</b>

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**

<b>For the quarter ended 30 September 2010</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 2010</b>	<b>565,681</b>	<b>25,563</b>	<b>141,120</b>	<b>732,364</b>
Total comprehensive income for the period	-	<b>38,205</b>	<b>11,556</b>	<b>49,761</b>
Transfer from unrealised to realised		<b>(110)</b>	<b>110</b>	-
Distribution to unitholders	-	<b>(21,166)</b>	-	<b>(21,166)</b>
<b>At 30 September 2010</b>	<b>565,681</b>	<b>42,492</b>	<b>152,786</b>	<b>760,959</b>
<b>At 1 January 2009</b>	565,681	8,687	126,627	700,995
Total comprehensive income for the period	-	40,289	13,546	53,835
Transfer from unrealised to realised	-	(362)	362	-
Distribution to unitholders	-	(20,553)	-	(20,553)
<b>At 30 September 2009</b>	565,681	28,061	140,535	734,277

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 quarter ended 30 September 2010**

	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Cash receipts from customers	<b>56,999</b>	62,336
Cash paid to suppliers	<b>(2,688)</b>	(4,556)
<b>Net cash from operating activities</b>	<b>54,311</b>	57,780
<b>INVESTING ACTIVITIES</b>		
Purchase and enhancement of investment properties	<b>(7,528)</b>	(10,695)
Purchase of held for trading securities	<b>(1,480)</b>	(1,424)
Proceeds from disposal of investment properties	-	6,933
Proceeds from disposal of held for trading securities	<b>3,602</b>	1,807
Profit earned from Shariah-based deposits	<b>170</b>	71
Net dividends received	<b>73</b>	111
<b>Net cash used in investing activities</b>	<b>(5,163)</b>	(3,197)
<b>FINANCING ACTIVITIES</b>		
Profit sharing expenses on financing paid	<b>(3,024)</b>	(3,594)
Distributions paid	<b>(51,875)</b>	(61,437)
<b>Net cash used in financing activities</b>	<b>(54,899)</b>	(65,031)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,751)</b>	(10,448)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>10,959</b>	7,855
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>5,208</b>	(2,593)
<b>Cash and cash equivalents at end of period comprise:</b>		
Cash and bank balances	<b>186</b>	26
Shariah-based deposits with financial institution	<b>6,124</b>	630
Cash line-i	<b>(1,102)</b>	(3,249)
	<b>5,208</b>	(2,593)

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 September 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 September 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**

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

(ii) Interim distribution for the first half of the financial year ending 31 December 2010 of 3.80 sen per unit, amounting to RM21,166,038 was paid on 9 September 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 September 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 RM17.2 million for the current quarter, a slight increase from last year's corresponding quarter of RM17.0 million. Current quarter recorded a higher fixed rental due to the higher fixed rental but recorded a lower performance-based profit sharing compared with last year's corresponding quarter.

For the 9 months period ended 30 September 2010, the Fund recorded a higher revenue of RM55.2 million (2009: RM51.9 million). However, the PAT achieved was lower at RM49.8 million (2009: RM53.8 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 RM1.35 per unit on 30 September 2010 while NAV at the end of the period stood at RM1.3662 per unit.

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

PAT increased by RM1.2 million due to higher performance-based rental and profit on disposal of quoted securities.

**B3 Prospects**

The Fund should perform satisfactorily for the rest of the year as palm oil prices are currently trading at attractive levels over RM3,000 per MT level.

**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 September 2010****B7 Quoted Securities**

	<b>Current Period 2010 RM'000</b>	<b>Cumulative Period 2010 RM'000</b>
<u>Purchases and disposals:</u>		
Total purchase consideration	-	1,480
Total sale proceeds	1,632	3,602
Total profit on disposal	317	551
<u>Investments as at 30 September 2010:</u>		
At cost		<b>RM'000</b> 4,207
At carrying value/book value		3,879
At market value		3,835

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

**B8 Corporate Developments**

On 11 November 2010, the Fund has announced the proposed acquisition of Sutera Estate and Taiping Rubber Plantation Estate (including Trong Oil Mill) from Boustead Sutera Sdn. Bhd. and Boustead Holdings Berhad (BHB) for an aggregate purchase consideration of RM189.2 million, and the subsequent lease of the plantation assets by BHB or any of its wholly-owned subsidiaries. The purchase consideration shall be settled through cash payment which will be funded from proceeds of the proposed placement of 75 million new units and Shariah-compliant financing facility.

**B9 Financing/Borrowings and Debt Securities**

	<b>30.9.2010 RM'000</b>	<b>31.12.2009 RM'000</b>
Shariah-compliant financing facilities - secured	96,102	95,000

**B10 Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 15 November 2010.

**B11 Material Litigation**

There was no litigation as at 15 November 2010.

**B12 Income Distribution**

No distribution has been declared for the quarter under review.

**B13 Earnings per unit**

	<b>Current Period 2010</b>	<b>Period 2009</b>	<b>Cumulative Period</b>	
			<b>2010</b>	<b>2009</b>
<b>Net profit for the period (RM'000)</b>	17,172	17,027	49,761	53,835
<b>Weighted average number of units in issue ('000)</b>	557,001	557,001	557,001	557,001
<b>Basic earnings per unit (sen)</b>	3.08	3.05	8.93	9.67
<b>Distributions per unit (sen)</b>	-	-	3.80	3.69



**AL-HADHARAH BOUSTEAD REIT**

**Notes to the Interim Financial Report for the Quarter Ended 30 September 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

15 November 2010