

AL-HADHARAH BOUSTEAD REIT
UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended 31 December 2010	Current period		Cumulative period	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Rental income				
- fixed	14,603	13,304	58,173	53,220
- performance-based	5,249	5,811	16,849	17,811
	19,852	19,115	75,022	71,031
Plantation operating expenses	(423)	(394)	(1,610)	(1,559)
At 31 December 2010	19,429	18,721	73,412	69,472
Dividend income	35	63	110	178
Profit earned from deposits	62	16	240	101
Net realised gain on disposal of:				
- investment properties	174	-	174	6,539
- investment in quoted securities	186	58	737	430
	19,886	18,858	74,673	76,720
Fees to:				
Manager	(614)	(604)	(2,282)	(2,238)
Trustee	(48)	(46)	(186)	(179)
Auditors	(5)	(4)	(20)	(16)
Tax agent	(2)	1	(8)	(11)
Shariah adviser	(4)	(2)	(15)	(11)
Valuers	(115)	(220)	(115)	(220)
Profit sharing expenses on financing	(1,105)	(1,054)	(4,129)	(4,615)
Other expenses	(34)	(146)	(153)	(358)
	17,959	16,783	67,765	69,072
Unrealised gain on valuation of investment in quoted securities	57	40	13	1,586
Unrealised fair value gain on investment properties	14,297	12,512	14,297	12,512
Profit before taxation	32,313	29,335	82,075	83,170
Taxation	-	-	-	-
Net profit/ total comprehensive income for the period	32,313	29,335	82,075	83,170
Net profit/ total comprehensive income for the period is made up as follows:				
- realised	17,959	16,783	67,765	69,072
- unrealised	14,354	12,552	14,310	14,098
	32,313	29,335	82,075	83,170
Earnings per unit (sen):				
- realised	3.22	3.01	12.17	12.40
- unrealised	2.58	2.25	2.57	2.53
	5.80	5.26	14.74	14.93
Earnings per unit (sen):				
- after Manager's fee	5.80	5.26	14.74	14.93
- before Manager's fee	5.91	5.38	15.14	15.33
Distribution per unit (sen)	6.20	5.61	10.00	9.30

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 31 December 2010	Audited 31 December	
	2010 RM'000	2009 RM'000
ASSETS		
Non-current assets		
Investment properties	857,504	831,259
At 31 December 2010		
Investment in quoted securities	4,608	5,450
Receivables	17,529	17,882
Shariah-based deposits with financial institution	16,448	10,945
Cash and bank balances	24	14
	<u>38,609</u>	<u>34,291</u>
TOTAL ASSETS	<u>896,113</u>	<u>865,550</u>
LIABILITIES		
Current liabilities		
Payables	7,840	6,938
Shariah-compliant financing facility	95,000	95,000
Provision for distribution	-	31,248
	<u>102,840</u>	<u>133,186</u>
TOTAL LIABILITIES	<u>102,840</u>	<u>133,186</u>
NET ASSET VALUE	<u>793,273</u>	<u>732,364</u>
UNITHOLDERS' FUND		
Unitholders' capital	565,681	565,681
Undistributed profit	227,592	166,683
TOTAL UNITHOLDERS' FUND	<u>793,273</u>	<u>732,364</u>
UNITS IN CIRCULATION ('000)	557,001	557,001
NET ASSET VALUE (NAV) PER UNIT (RM)	1.4242	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 quarter ended 31 December 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	-	67,765	14,310	82,075
Transfer from unrealised to realised	-	(121)	121	-
Distribution to unitholders	-	(21,166)	-	(21,166)
At 31 December 2010	565,681	72,041	155,551	793,273
At 1 January 2009	565,681	8,687	126,627	700,995
Total comprehensive income for the period	-	69,072	14,098	83,170
Transfer from unrealised to realised	-	(395)	395	-
Distribution to unitholders	-	(51,801)	-	(51,801)
At 31 December 2009	565,681	25,563	141,120	732,364

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 31 December 2010

	2010	2009
	RM'000	RM'000
OPERATING ACTIVITIES		
Cash receipts from customers	76,277	80,075
Cash paid to suppliers	(4,876)	(5,099)
Net cash from operating activities	71,401	74,976
INVESTING ACTIVITIES		
Purchase and enhancement of investment properties	(12,270)	(13,641)
Purchase of quoted securities	(3,402)	(1,442)
Proceeds from disposal of investment properties	978	6,896
Proceeds from disposal of quoted securities	4,994	2,117
Profit earned from Shariah-based deposits	240	101
Net dividends received	99	178
Net cash used in investing activities	(9,361)	(5,791)
FINANCING ACTIVITIES		
Profit sharing expenses on financing paid	(4,113)	(4,644)
Distributions paid	(52,414)	(61,437)
Net cash used in financing activities	(56,527)	(66,081)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,513	3,104
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	10,959	7,855
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16,472	10,959
Cash and cash equivalents at end of period comprise:		
Cash and bank balances	24	14
Shariah-based deposits with financial institution	16,448	10,945
	16,472	10,959

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 31 December 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 31 December 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

The revaluation of investment properties in compliance with FRS 140 contributed a fair value gain of RM14.3 million. The fair value gain recognised in the Statement of Comprehensive Income in the year under review is unrealised and not available for distribution.

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 31 December 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 RM32.3 million for the current quarter, an increase of 10% from last year's corresponding quarter of RM29.3 million. Fixed rental income was higher but the performance-based profit sharing was slightly lower compared with last year's corresponding quarter. Unrealised fair value gain on investment properties was higher at RM14.3 million (2009: RM12.3 million).

For the full year ended 31 December 2010, the Fund recorded a higher revenue of RM75.0 million (2009: RM71.0 million). However, the PAT achieved was slightly lower at RM82.1 million (2009: RM83.1 million).

The unit price closed at RM1.44 per unit on 31 December 2010 while NAV at the end of the period stood at RM1.42 per unit.

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

PAT increased by RM15.1 million, mainly due to the recognition of unrealised fair value gain on investment properties of RM14.3 million and higher performance-based profit sharing in the current quarter.

B3 Prospects

The performance in 2011 is expected to improve further with the injection of two new estates into the Fund. In addition, the attractive CPO prices currently prevailing will further enhance earnings in the form of performance-based rental income.

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 31 December 2010****B7 Quoted Securities**

	Current Period 2010 RM'000	Cumulative Period 2010 RM'000
<u>Purchases and disposals:</u>		
Total purchase consideration	1,922	3,402
Total sale proceeds	1,392	4,994
Total profit on disposal	186	737
<u>Investments as at 31 December 2010:</u>		RM'000
At cost		4,655
At carrying value/book value		4,608
At market value		4,608

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 to Boustead Rimba Nilai Sdn. Bhd. and Boustead Telok Sengat Sdn. Bhd. respectively. 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. The acquisition is expected to be completed by 31 March 2011.

B9 Financing/Borrowings and Debt Securities

	31.12.2010 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 26 January 2011.

B11 Material Litigation

There was no litigation as at 26 January 2011.

B12 Income Distribution

A final distribution of 6.20 sen per unit amounting to RM34,534,062 is declared in respect of the financial year ended 31 December 2010 and is expected to be paid on 28 February 2011.

AL-HADHARAH BOUSTEAD REIT**Notes to the Interim Financial Report for the Quarter Ended 31 December 2010****B13 Earnings per unit**

	Current Period		Cumulative Period	
	2010	2009	2010	2009
Net profit for the period (RM'000)	32,313	29,335	82,075	83,170
Weighted average number of units in issue ('000)	557,001	557,001	557,001	557,001
Basic earnings per unit (sen)	5.80	5.26	14.74	14.93
Distributions per unit (sen)	6.20	5.61	10.00	9.30

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

26 January 2011