

AL-HADHARAH BOUSTEAD REIT
UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended 30 September 2011	Current period		Cumulative period	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Rental income				
- fixed	17,299	14,460	49,060	43,570
- performance-based (unrealised)	10,000	4,400	28,100	11,600
	<u>27,299</u>	<u>18,860</u>	<u>77,160</u>	<u>55,170</u>
Plantation operating expenses	(402)	(425)	(1,188)	(1,187)
Net rental income	<u>26,897</u>	<u>18,435</u>	<u>75,972</u>	<u>53,983</u>
Dividend income	14	39	85	75
Profit earned from deposits	95	97	183	178
Net realised gain on disposal of investment in quoted Shariah-compliant securities	27	-	185	-
	<u>27,033</u>	<u>18,888</u>	<u>76,425</u>	<u>54,787</u>
Fees to:				
Manager	(814)	(591)	(2,274)	(1,673)
Trustee	(56)	(48)	(157)	(138)
Auditors	(5)	(5)	(15)	(15)
Tax agent	(2)	(2)	(2)	(6)
Shariah adviser	(3)	(3)	(11)	(11)
Profit sharing expenses on financing	(2,414)	(1,102)	(5,450)	(3,024)
Other expenses	(115)	(33)	(968)	(115)
	<u>23,624</u>	<u>17,104</u>	<u>67,548</u>	<u>49,805</u>
Unrealised gain/(loss) on valuation of investment in quoted Shariah-compliant securities	(723)	68	(638)	(44)
Profit before taxation	<u>22,901</u>	<u>17,172</u>	<u>66,910</u>	<u>49,761</u>
Taxation	-	-	-	-
Net profit/ total comprehensive income for the period	<u>22,901</u>	<u>17,172</u>	<u>66,910</u>	<u>49,761</u>
Net profit/ total comprehensive income for the period is made up as follows:				
- realised	13,624	12,704	39,448	38,205
- unrealised	9,277	4,468	27,462	11,556
	<u>22,901</u>	<u>17,172</u>	<u>66,910</u>	<u>49,761</u>
Earnings per unit (sen):				
- realised	2.17	2.28	6.29	6.86
- unrealised	1.48	0.80	4.38	2.07
	<u>3.65</u>	<u>3.08</u>	<u>10.67</u>	<u>8.93</u>
Earnings per unit (sen):				
- after Manager's fee	3.65	3.08	10.67	8.93
- before Manager's fee	3.78	3.19	11.04	9.23
Distribution per unit (sen)	-	-	4.00	3.80

The Unaudited Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010.

AL-HADHARAH BOUSTEAD REIT
UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 September 2011	Audited	
	2011	2010
	RM'000	RM'000
ASSETS		
Non-current assets		
Investment properties	1,056,127	857,504
Current assets		
Investment in quoted Shariah-compliant securities	5,757	4,608
Receivables	33,962	17,529
Shariah-based deposits with financial institution	3,622	16,448
Cash and bank balances	151	24
	<u>43,492</u>	<u>38,609</u>
TOTAL ASSETS	<u>1,099,619</u>	<u>896,113</u>
LIABILITIES		
Current liabilities		
Payables	12,679	7,840
Islamic financing facility - Revolving Credit-i	98,000	95,000
Cash line-i	5,413	-
	<u>116,092</u>	<u>102,840</u>
Non current liabilities		
Islamic financing facility - Term Financing-i	90,000	-
TOTAL LIABILITIES	<u>206,092</u>	<u>102,840</u>
NET ASSET VALUE	<u>893,527</u>	<u>793,273</u>
UNITHOLDERS' FUND		
Unitholders' capital	658,635	565,681
Undistributed profit	234,892	227,592
TOTAL UNITHOLDERS' FUND	<u>893,527</u>	<u>793,273</u>
UNITS IN CIRCULATION ('000)	626,905	557,001
NET ASSET VALUE (NAV) PER UNIT (RM)	1.4253	1.4242

The Unaudited Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010.

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

For the quarter ended 30 September 2011	Unitholders' capital	Undistributed profit		Unitholders' fund
	Realised	Unrealised		
	RM'000	RM'000	RM'000	RM'000
At 1 January 2011	565,681	72,040	155,552	793,273
Issuance of new units	92,954	-	-	92,954
Total comprehensive income for the period	-	39,448	27,462	66,910
Realised during the period	-	(74)	74	-
Distribution to unitholders	-	(59,610)	-	(59,610)
At 30 September 2011	658,635	51,804	183,088	893,527
At 1 January 2010	565,681	25,563	141,120	732,364
Total comprehensive income for the period	-	38,205	11,556	49,761
Realised during the period	-	(110)	110	-
Distribution to unitholders	-	(21,166)	-	(21,166)
At 30 September 2010	565,681	42,492	152,786	760,959

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 2010.

AL-HADHARAH BOUSTEAD REIT
UNAUDITED CONDENSED STATEMENT OF CASH FLOW

For the quarter ended 30 September 2011

	2011	2010
	RM'000	RM'000
OPERATING ACTIVITIES		
Cash receipts from customers	61,230	47,360
Cash paid to suppliers	(2,491)	(2,110)
Net cash from operating activities	58,739	45,250
INVESTING ACTIVITIES		
Purchase and enhancement of investment properties	(197,187)	(5,532)
Purchase of quoted Shariah-compliant securities	(2,958)	(1,481)
Proceeds from disposal of quoted Shariah-compliant securities	1,343	1,970
Profit earned from Shariah-based deposits	171	76
Net dividends received	93	40
Net cash used in investing activities	(198,538)	(4,927)
		9,899
FINANCING ACTIVITIES		
Proceeds from issuance of new units	94,370	-
Listing expenses	(1,416)	-
Drawdown of Islamic financing facility	93,000	-
Profit sharing expenses on financing paid	(4,657)	(1,921)
Distributions paid	(59,610)	(31,248)
Net cash used in financing activities	121,687	(33,169)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(18,112)	7,154
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16,472	10,959
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(1,640)	18,113
Cash and cash equivalents at end of period comprise:		
Cash and bank balances	151	16
Shariah-based deposits with financial institution	3,622	18,097
Cash line-i	(5,413)	-
	(1,640)	18,113

The Unaudited Condensed Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010.

AL-HADHARAH BOUSTEAD REIT

Notes to the Interim Financial Report for the Quarter Ended 30 September 2011

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 2010.

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 2010.

A2 Audit Report of Preceding Financial Year Ended 31 December 2010

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 Income Distributed

- (i) Final distribution for the financial year ended 31 December 2010 amounting to RM34,534,062 or 6.8 sen per unit was paid on 28 February 2011.
- (ii) Interim distribution for the first half of the financial year ending 31 December 2011 of 4.0 sen per unit, amounting to RM25,076,180 was paid on 9 September 2011.

A8 Segmental Information

This is not applicable.

A9 Valuation of Investment Properties

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

A10 Material Events

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

AL-HADHARAH BOUSTEAD REIT

Notes to the Interim Financial Report for the Quarter Ended 30 September 2011

A11 Changes in Composition of The Fund

The Fund size has increased from 557,001,000 units to 626,904,500 units with the successful issuance and listing of 69,903,500 units at RM1.35 per unit on 29 April 2011.

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 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 RM22.9 million for the current quarter, a 33% increase from last year's corresponding period of RM17.2 million.

For the 9 months period ended 30 September 2011, the Fund recorded a higher revenue of RM77.2 million (2010: RM55.2 million). Additional rental from the newly acquired TRP and Sutera Estates contributed to the increase in fixed rental income of RM49.1 million (2010: RM43.6 million) while performance-based profit sharing was more than double at RM28.1 million (2010: RM11.6 million). As a result, profit after tax increased by 34% to RM66.9 million (2010: RM49.8 million).

The unit price closed at RM1.43 per unit on 30 September 2011 while NAV at the end of the period was also RM1.43 per unit.

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

	Current Quarter 30.9.2011 RM'000	Preceding Quarter 30.6.2011 RM'000
Revenue	27,299	27,700
Profit after taxation	22,901	23,913

The current quarter profit after tax of RM22.9 million was lower than the preceding quarter's profit of RM23.9 million. Revenue from the performance-based rental was slightly lower for the current quarter. The profit was brought down further by the higher unrealised loss on the valuation of investment in securities.

B3 Prospects

With CPO prices expected to remain strong, performance-based profit sharing will be healthy, thus contributing to satisfactory performance for the remainder of the year.

AL-HADHARAH BOUSTEAD REIT**Notes to the Interim Financial Report for the Quarter Ended 30 September 2011****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.

B7 Quoted Investment in Securities

	Current Period 2011 RM'000	Cumulative Period 2011 RM'000
<u>Purchases and disposals:</u>		
Total purchase consideration	946	2,958
Total sale proceeds	150	1,343
Total profit on disposal	27	185
<u>Investments as at 30 September 2011:</u>		RM'000
At cost		6,276
At carrying value/book value		6,395
At market value		5,757

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

B8 Significant Event

The acquisition of Sutera Estate, TRP Estate and Trong Oil Mill for an aggregate purchase consideration of RM189.2 million was completed and payment was made in April 2011.

B9 Financing/Borrowings and Debt Securities

	30.9.2011 RM'000	30.9.2010 RM'000
Shariah-compliant financing facilities - secured	193,413	95,000

B10 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 16 November 2011.

B11 Material Litigation

There was no litigation as at 16 November 2011.

B12 Income Distribution

No distribution has been declared for the quarter under review.

AL-HADHARAH BOUSTEAD REIT

Notes to the Interim Financial Report for the Quarter Ended 30 September 2011

B13 Earnings per unit

	Current Period		Cumulative Period	
	2011	2010	2011	2010
Net profit for the period (RM'000)	22,901	17,172	66,910	49,761
Weighted average number of units in issue ('000)	626,905	557,001	626,905	557,001
Basic earnings per unit (sen)	3.65	3.08	10.67	8.93
Distributions per unit (sen)	-	-	4.00	3.80

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

16 November 2011