

AL-HADHARAH BOUSTEAD REIT
UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended 31 December 2011	Current period		Cumulative period	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Rental income				
- fixed	17,913	14,603	66,973	58,173
- performance-based	4,483	5,249	32,583	16,849
	<u>22,396</u>	<u>19,852</u>	<u>99,556</u>	<u>75,022</u>
Plantation operating expenses	(596)	(423)	(1,783)	(1,610)
At 31 December 2010	<u>21,800</u>	<u>19,429</u>	<u>97,773</u>	<u>73,412</u>
Dividend income	113	35	198	110
Profit earned from deposits	45	62	228	240
Net realised gain on disposal of:				
- investment properties	7,238	174	7,238	174
- investment in quoted securities	-	186	185	737
	<u>29,196</u>	<u>19,886</u>	<u>105,622</u>	<u>74,673</u>
Fees to:				
Manager	(689)	(614)	(2,963)	(2,282)
Trustee	(58)	(48)	(215)	(186)
Auditors	(5)	(5)	(20)	(20)
Tax agent	-	(2)	(2)	(8)
Shariah adviser	(4)	(4)	(15)	(15)
Valuers	(140)	(115)	(140)	(115)
Profit sharing expenses on financing	(2,496)	(1,105)	(7,946)	(4,129)
Other expenses	(144)	(34)	(1,112)	(153)
Realised profit	<u>25,660</u>	<u>17,959</u>	<u>93,209</u>	<u>67,765</u>
Unrealised gain on valuation of investment in quoted securities	704	57	66	13
Unrealised fair value gain on investment properties	<u>212,524</u>	<u>14,297</u>	<u>212,524</u>	<u>14,297</u>
Profit before taxation	<u>238,888</u>	<u>32,313</u>	<u>305,799</u>	<u>82,075</u>
Taxation	-	-	-	-
Net profit/ total comprehensive income for the period	<u>238,888</u>	<u>32,313</u>	<u>305,799</u>	<u>82,075</u>
Net profit/ total comprehensive income for the period is made up as follows:				
- realised	25,660	17,959	93,209	67,765
- unrealised	213,228	14,354	212,590	14,310
	<u>238,888</u>	<u>32,313</u>	<u>305,799</u>	<u>82,075</u>
Earnings per unit (sen):				
- realised	4.09	3.22	14.87	12.17
- unrealised	34.01	2.58	33.91	2.57
	<u>38.10</u>	<u>5.80</u>	<u>48.78</u>	<u>14.74</u>
Earnings per unit (sen):				
- after Manager's fee	38.11	5.80	48.78	14.74
- before Manager's fee	38.22	5.91	49.25	15.14
Distribution per unit (sen)	8.00	6.20	12.00	10.00

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 31 December 2011	Audited 31 December	
	2011 RM'000	2010 RM'000
ASSETS		
Non-current assets		
Investment properties	1,273,620	857,504
Current assets		
Investment in quoted Shariah-compliant securities	7,388	4,608
Receivables	32,843	17,529
Cash and bank balances	14,946	16,472
	<u>55,177</u>	<u>38,609</u>
TOTAL ASSETS	<u>1,328,797</u>	<u>896,113</u>
LIABILITIES		
Current liabilities		
Payables	10,967	7,840
Islamic financing facility - Revolving Credit-i	95,000	95,000
Islamic financing facility - Cash line-i	414	-
	<u>106,381</u>	<u>102,840</u>
Non Current liabilities		
Islamic financing facility-Term Financing-i	90,000	-
TOTAL LIABILITIES	<u>196,381</u>	<u>102,840</u>
NET ASSET VALUE	<u>1,132,416</u>	<u>793,273</u>
UNITHOLDERS' FUND		
Unitholders' capital	658,635	565,681
Undistributed profit	473,781	227,592
TOTAL UNITHOLDERS' FUND	<u>1,132,416</u>	<u>793,273</u>
UNITS IN CIRCULATION ('000)	626,905	557,001
NET ASSET VALUE (NAV) PER UNIT (RM)	1.8064	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 31 December 2011	Unitholders' capital	Undistributed profit		Unitholders' fund
	Realised	Unrealised		
	RM'000	RM'000	RM'000	RM'000
At 1 January 2011	565,681	72,041	155,551	793,273
Issuance of units	92,954	-	-	92,954
Total comprehensive income for the period	-	93,209	212,590	305,799
Transfer from unrealised to realised		(3)	3	-
Distribution to unitholders	-	(59,610)	-	(59,610)
At 31 December 2011	658,635	105,637	368,144	1,132,416
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

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 31 December 2011

	2011	2010
	RM'000	RM'000
OPERATING ACTIVITIES		
Cash receipts from customers	84,909	76,277
Cash paid to suppliers	(5,851)	(4,876)
Net cash from operating activities	79,058	71,401
INVESTING ACTIVITIES		
Purchase and enhancement of investment properties	(203,694)	(12,270)
Purchase of quoted Shariah-compliant securities	(3,889)	(3,402)
Proceeds from disposal of investment properties	8,579	978
Proceeds from disposal of quoted Shariah-compliant securities	1,342	4,994
Profit earned from Shariah-based deposits	228	240
Net dividends received	205	99
Net cash used in investing activities	(197,229)	(9,361)
FINANCING ACTIVITIES		
Proceed from issuance of new units	94,370	-
Placement expenses	(1,416)	-
Drawdown of Islamic financing facility	90,000	-
Profit sharing expenses on financing paid	(7,113)	(4,113)
Distributions paid	(59,610)	(52,414)
Net cash used in financing activities	116,231	(56,527)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,940)	5,513
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16,472	10,959
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14,532	16,472
Cash and cash equivalents at end of period comprise:		
Cash and bank balances	11,968	24
Shariah-based deposits with financial institution	2,978	16,448
Islamic financing - Cash line-i	(414)	-
	14,532	16,472

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 31 December 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

The revaluation of investment properties in compliance with FRS 140 contributed to a fair value gain of RM212.5 million. The fair value gain recognised in the Statement of Comprehensive Income in the year 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.

AL-HADHARAH BOUSTEAD REIT

Notes to the Interim Financial Report for the Quarter Ended 31 December 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 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 RM238.9 million for the current quarter, 6.4 times higher than last year's corresponding period of RM32.3 million. This is mainly due to the large unrealised gain from the revaluation of investment properties of RM212.5 million compared with just RM14.3 million last year.

For the full year ended 31 December 2011, the Fund recorded a higher revenue of RM99.6 million (2010: RM75.0 million). Additional rental from the newly acquired TRP and Sutera Estates contributed to the increase in fixed rental income of RM67.0 million (2010: RM58.2 million) while performance-based profit sharing increased twofold to RM32.6 million (2010: RM16.8 million). The realised profit increased by 37% to RM93.2 million (2010: RM67.8 million), which includes a gain from the compulsory acquisition of investment properties by the government amounted to RM7.2 million. Adding the gain from the revaluation of investment properties resulted in a net profit for the year of RM305.8 million (2010: RM82.1 million).

The unit price closed at RM1.54 per unit on 31 December 2011 (2010: RM1.44) while NAV at the end of the year stood at RM1.81 per unit (2010: RM1.42).

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

	Current Quarter 31.12.2011 RM'000	Preceding Quarter 30.9.2011 RM'000
Revenue	22,396	27,299
Profit after taxation	238,888	22,901

Revenue was lower for the current quarter, mainly due to a lower performance-based profit sharing recognised at RM4.5 million compared with RM10.0 million in the preceding quarter. However, the profit after taxation was much higher due to the recognition of unrealised fair value gain on investment properties in the current quarter.

AL-HADHARAH BOUSTEAD REIT**Notes to the Interim Financial Report for the Quarter Ended 31 December 2011****B3 Prospects**

The year 2012 is expected to be a challenging year given the uncertain global economy, particularly in light of the debt crisis in the US and Europe, and there are concerns that CPO prices will be affected by this. We believe that the CPO prices are more likely to remain moderate in 2012, in a narrower trading range between RM2,750 to RM3,250.

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	931	3,889
Total sale proceeds	-	1,342
Total profit on disposal	-	185
<u>Investments as at 31 December 2011:</u>		
At cost		7,203
At carrying value/book value		7,388
At market value		7,388

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

	31.12.2011 RM'000	31.12.2010 RM'000
Shariah-compliant financing facilities - secured	185,414	95,000

B10 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 27 January 2012.

B11 Material Litigation

There was no litigation as at 27 January 2012.

AL-HADHARAH BOUSTEAD REIT**Notes to the Interim Financial Report for the Quarter Ended 31 December 2011****B12 Income Distribution**

A final distribution of 8.0 sen per unit amounting to RM50,152,360 was declared and will be accounted for in the unitholders' fund in the financial year ending 31 December 2012. The final distribution is expected to be paid on 29 February 2012.

B13 Earnings per unit

	Current Period		Cumulative Period	
	2011	2010	2011	2010
Net profit for the period (RM'000)	238,888	32,313	305,799	82,075
Weighted average number of units in issue ('000)	626,905	557,001	626,905	557,001
Basic earnings per unit (sen)	38.11	5.80	48.78	14.74
Distributions per unit (sen)	8.00	6.20	12.00	10.00

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
27 January 2012