

AL-HADHARAH BOUSTEAD REIT
UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

| For the quarter ended 30 June 2012 | Current period | | Cumulative period | |
|---|----------------|----------------|-------------------|----------------|
| | 2012 RM'000 | 2011 RM'000 | 2012 RM'000 | 2011 RM'000 |
| Rental income | | | | |
| - fixed | 17,299 | 17,300 | 34,599 | 31,761 |
| - performance-based (unrealised) | 7,300 | 10,400 | 14,200 | 18,100 |
| | 24,599 | 27,700 | 48,799 | 49,861 |
| Plantation operating expenses | (447) | (396) | (875) | (786) |
| Net rental income | 24,152 | 27,304 | 47,924 | 49,075 |
| Dividend income | 67 | 53 | 94 | 71 |
| Profit earned from deposits | 37 | 22 | 110 | 88 |
| Net realised gain on disposal of investment in quoted Shariah-compliant securities | 45 | 158 | 122 | 158 |
| | 24,301 | 27,537 | 48,250 | 49,392 |
| Fees to: | | | | |
| Manager | (746) | (804) | (1,467) | (1,460) |
| Trustee | (56) | (55) | (111) | (101) |
| Auditors | (7) | (5) | (13) | (10) |
| Tax agent | (1) | (1) | (3) | - |
| Shariah adviser | (4) | (4) | (8) | (8) |
| Profit sharing expenses on financing | (2,392) | (1,923) | (4,776) | (3,036) |
| Other expenses | (93) | (725) | (170) | (853) |
| | 21,002 | 24,020 | 41,702 | 43,924 |
| Unrealised gain on valuation of investment in quoted Shariah-compliant securities | 1,450 | (108) | 1,723 | 85 |
| Profit before taxation | 22,452 | 23,912 | 43,425 | 44,009 |
| Taxation | - | - | - | - |
| Net profit, representing total comprehensive income for the period | 22,452 | 23,912 | 43,425 | 44,009 |
| Total comprehensive income for the period is made up as follows: | | | | |
| - realised | 13,702 | 13,620 | 27,502 | 25,824 |
| - unrealised | 8,750 | 10,292 | 15,923 | 18,185 |
| | 22,452 | 23,912 | 43,425 | 44,009 |
| Earnings per unit (sen): | | | | |
| - realised | 2.19 | 2.17 | 4.39 | 4.12 |
| - unrealised | 1.40 | 1.64 | 2.54 | 2.90 |
| | 3.59 | 3.81 | 6.93 | 7.02 |
| Earnings per unit (sen): | | | | |
| - after Manager's fee | 3.59 | 3.81 | 6.93 | 7.02 |
| - before Manager's fee | 3.70 | 3.94 | 7.16 | 7.25 |
| Distribution per unit (sen) | 4.50 | 4.00 | 4.50 | 4.00 |

The Unaudited Condensed Income Statement should be read in conjunction with the audited financial statements for the period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

AL-HADHARAH BOUSTEAD REIT
UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

| As at 30 June 2012 | Audited | |
|---|------------------|--------------------|
| | 2012 | 31 December |
| | RM'000 | 2011 |
| | | RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Investment properties | 1,280,486 | 1,273,620 |
| Current assets | | |
| Investment in quoted Shariah-compliant securities | 10,328 | 7,388 |
| Receivables | 14,309 | 32,843 |
| Cash and bank balances | 16,419 | 14,946 |
| | 41,056 | 55,177 |
| TOTAL ASSETS | 1,321,542 | 1,328,797 |
| LIABILITIES | | |
| Current liabilities | | |
| Payables | 10,853 | 10,967 |
| Islamic financing facility | 95,000 | 95,414 |
| | 105,853 | 106,381 |
| Non Current liabilities | | |
| Islamic financing facility | 90,000 | 90,000 |
| TOTAL LIABILITIES | 195,853 | 196,381 |
| NET ASSET VALUE | 1,125,689 | 1,132,416 |
| UNITHOLDERS' FUND | | |
| Unitholders' capital | 658,635 | 658,635 |
| Undistributed profit | 467,054 | 473,781 |
| TOTAL UNITHOLDERS' FUND | 1,125,689 | 1,132,416 |
| UNITS IN CIRCULATION ('000) | 626,905 | 626,905 |
| NET ASSET VALUE (NAV) PER UNIT (RM) | 1.7956 | 1.8064 |

The Unaudited Condensed Balance Sheet should be read in conjunction with the audited financial statements for the period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

| For the quarter ended 30 June 2012 | Unitholders' capital | Undistributed profit | | Unitholders' fund |
|---|-----------------------------|-----------------------------|----------------|--------------------------|
| | Realised | Unrealised | | |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2012 | 658,635 | 105,637 | 368,144 | 1,132,416 |
| Total comprehensive income | - | 27,502 | 15,923 | 43,425 |
| Transfer from unrealised to realised | - | 113 | (113) | - |
| Distribution to unitholders | - | (50,152) | - | (50,152) |
| At 30 June 2012 | 658,635 | 83,100 | 383,954 | 1,125,689 |
| At 1 January 2011 | 565,681 | 72,040 | 155,552 | 793,273 |
| Issuance of new units | 92,954 | - | - | 92,954 |
| Total comprehensive income | - | 25,824 | 18,185 | 44,009 |
| Transfer from unrealised to realised | - | (74) | 74 | - |
| Distribution to unitholders | - | (34,534) | - | (34,534) |
| At 30 June 2011 | 658,635 | 63,256 | 173,811 | 895,702 |

The Unaudited Condensed Income Statement should be read in conjunction with the audited financial statements for the period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

AL-HADHARAH BOUSTEAD REIT
UNAUDITED STATEMENT OF CASH FLOWS

For the quarter ended 30 June 2012

| | 2012 | 2011 |
|---|-----------------|---------------|
| | RM'000 | RM'000 |
| OPERATING ACTIVITIES | | |
| Cash receipts from customers | 67,182 | 49,696 |
| Cash paid to suppliers | (2,635) | (2,849) |
| Net cash from operating activities | 64,547 | 46,847 |
| INVESTING ACTIVITIES | | |
| Purchase and enhancement of investment properties | (6,805) | (194,269) |
| Purchase of quoted Shariah-compliant securities | (2,860) | (2,012) |
| Proceeds from disposal of investment properties | - | - |
| Proceeds from disposal of quoted Shariah-compliant securities | 1,755 | 1,193 |
| Profit earned from Shariah-based deposits | 99 | 79 |
| Net dividends received | 94 | 78 |
| Net cash used in investing activities | (7,717) | (194,931) |
| FINANCING ACTIVITIES | | |
| Proceeds from issuance of new units | - | 94,370 |
| Listing expenses | - | (1,415) |
| Drawdown of Shariah-compliant financing facility | - | 90,000 |
| Profit sharing expenses on financing paid | (4,791) | (2,258) |
| Distributions paid | (50,152) | (34,534) |
| Net cash used in financing activities | (54,943) | 146,163 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 1,887 | (1,921) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 14,532 | 16,472 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 16,419 | 14,551 |
| Cash and cash equivalents at end of year comprise: | | |
| Cash and bank balances | 42 | 53 |
| Shariah-based deposits with financial institution | 16,377 | 16,284 |
| Islamic financing - Cash line-i | - | (1,786) |
| Cash and cash equivalents at end of year | 16,419 | 14,551 |

The Unaudited Condensed Cash Flow Statement should be read in conjunction with the audited financial statements for the period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

AL-HADHARAH BOUSTEAD REIT

Notes to the Interim Financial Report for the Quarter Ended 30 June 2012

Part A - Explanation Notes Pursuant to MFRS 134

A1 Basis of Preparation

The condensed interim financial statements have been prepared in accordance with MFRS134: Interim Financial Reporting and paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Condensed interim financial statements also comply with IAS34: Interim Financial Reporting issued by the International Accounting Standards Board (IASB). For the periods up to and including the financial year ended 31 December 2011, the Fund prepared its financial statements in accordance with Financial Reporting Standards (FRS).

This set of condensed interim financial statements is the Fund's first MFRS compliant condensed financial statements, hence MFRS1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied.

The date of transition to the MFRS framework is 1 January 2011. At the transition date, the Fund reviewed its accounting policies and considered the transitional opportunities under MFRS1. The transition from FRS to MFRS did not have any significant effects on the interim financial report upon their initial application.

A2 Audit Report of Preceding Financial Year Ended 31 December 2011

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

Final distribution for the financial year ended 31 December 2011 amounting to RM50,152,360 or 8.0 sen per unit was paid on 29 February 2012.

A8 Segmental Information

This is not applicable.

A9 Valuation of Investment Properties

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

AL-HADHARAH BOUSTEAD REIT

Notes to the Interim Financial Report for the Quarter Ended 30 June 2012

A10 Material Events

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

A11 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 2011.

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 RM22.5 million for the current quarter, a decrease of 6% from last year's corresponding quarter of RM23.9 million, mainly due to the lower performance-based profit sharing.

For the 6 months period ended 30 June 2012, the Fund recorded a revenue of RM48.8 million (2011: RM49.9 million). Fixed rental income was higher due to additional rental from plantation assets acquired in 2011 with rental commencing 1 April 2011. However, the performance-based profit sharing was lower at RM14.2 million (2011: RM18.1 million) due to the lower average CPO price. The profit after tax was only slightly lower at RM43.4 million (2011:44.0 million), boosted by the unrealised gain on investment in securities of RM1.7 million (2011: RM0.09 million).

The unit price closed at RM1.79 per unit on 30 June 2012 while NAV at the end of the period stood at RM1.80 per unit.

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

| | Current Quarter 30.6.2012 RM'000 | Preceding Quarter 31.3.2012 RM'000 |
|-----------------------|---|---|
| Revenue | 24,599 | 24,200 |
| Profit after taxation | 22,452 | 20,973 |

Revenue recorded in the current quarter was slightly higher due to the higher performance-based profit sharing of RM7.3 million compared with RM6.9 million in the preceding quarter. Profit after taxation was higher due to the unrealised gain on investment in securities recorded in the current quarter of RM1.5 million compared with RM0.3 million in the preceding quarter.

AL-HADHARAH BOUSTEAD REIT**Notes to the Interim Financial Report for the Quarter Ended 30 June 2012****B3 Prospects**

The performance of the Fund for the year is expected to be satisfactory. CPO prices are expected to maintain at the RM3,000 level, given the shortage of production and the El-Nino phenomenon which is predicted to emerge in the second half of 2012.

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 2012 RM'000 | Cumulative Period 2012 RM'000 |
|--|---|--|
| <u>Purchases and disposals:</u> | | |
| Total purchase consideration | 2,860 | 2,860 |
| Total sale proceeds | 761 | 1,755 |
| Total profit on disposal | 45 | 122 |
| <u>Investments as at 30 June 2012:</u> | | |
| At cost | | RM'000 8,533 |
| At carrying value/book value | | 8,605 |
| At market value | | 10,328 |

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

B8 Corporate Developments

There were no outstanding proposals as at 15 August 2012.

B9 Financing/Borrowings and Debt Securities

| | 30.6.2012 RM'000 | 31.12.2011 RM'000 |
|---------------------|-----------------------------|------------------------------|
| <u>Non-current:</u> | | |
| Term financing-i | 90,000 | 90,000 |
| <u>Current:</u> | | |
| Cash line-i | - | 414 |
| Revolving credit-i | 95,000 | 95,000 |
| | 95,000 | 95,414 |

B10 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 15 August 2012.

AL-HADHARAH BOUSTEAD REIT**Notes to the Interim Financial Report for the Quarter Ended 30 June 2012****B11 Material Litigation**

There was no litigation as at 15 August 2012.

B12 Income Distribution

An interim distribution of 4.5 sen per unit amounting to RM28,210,703 would be payable by 14 September 2012.

B13 Earnings per unit

| | Current Period | | Cumulative Period | |
|---|-----------------------|-------------|--------------------------|-------------|
| | 2012 | 2011 | 2012 | 2011 |
| Net profit for the period (RM'000) | 22,452 | 23,912 | 43,425 | 44,009 |
| Weighted average number of units in issue ('000) | 626,905 | 626,905 | 626,905 | 626,905 |
| Basic earnings per unit (sen) | 3.59 | 3.81 | 6.93 | 7.02 |
| Distributions per unit (sen) | 4.50 | 4.00 | 4.50 | 4.00 |

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
15 August 2012