

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

<b>For the quarter ended 30 September 2012</b>	<b>Current period</b>		<b>Cumulative period</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Rental income</b>				
- fixed	17,300	17,299	51,899	49,060
- performance-based (unrealised)	7,500	10,000	21,700	28,100
	<b>24,800</b>	27,299	<b>73,599</b>	77,160
Plantation operating expenses	(455)	(402)	(1,330)	(1,188)
Net rental income	<b>24,345</b>	26,897	<b>72,269</b>	75,972
Dividend income	57	14	151	85
Profit earned from deposits	103	95	213	183
Net realised gain on disposal of investment in quoted Shariah-compliant securities	172	27	294	185
	<b>24,677</b>	27,033	<b>72,927</b>	76,425
Fees to:				
Manager	(764)	(814)	(2,231)	(2,274)
Trustee	(58)	(56)	(169)	(157)
Auditors	(6)	(5)	(19)	(15)
Tax agent	(2)	(2)	(5)	(2)
Shariah adviser	(3)	(3)	(11)	(11)
Profit sharing expenses on financing	(2,449)	(2,414)	(7,225)	(5,450)
Other expenses	(78)	(115)	(248)	(968)
	<b>21,317</b>	23,624	<b>63,019</b>	67,548
Unrealised gain/(loss) on valuation of investment in quoted Shariah-compliant securities	(1,005)	(723)	718	(638)
<b>Profit before taxation</b>	<b>20,312</b>	22,901	<b>63,737</b>	66,910
Taxation	-	-	-	-
<b>Net profit, representing total comprehensive income for the period</b>	<b>20,312</b>	22,901	<b>63,737</b>	66,910
<b>Total comprehensive income for the period is made up as follows:</b>				
- realised	13,817	13,624	41,319	39,448
- unrealised	6,495	9,277	22,418	27,462
	<b>20,312</b>	22,901	<b>63,737</b>	66,910
<b>Earnings per unit (sen):</b>				
- realised	2.20	2.17	6.59	6.29
- unrealised	1.04	1.48	3.58	4.38
	<b>3.24</b>	3.65	<b>10.17</b>	10.67
<b>Earnings per unit (sen):</b>				
- after Manager's fee	3.24	3.65	10.17	10.67
- before Manager's fee	3.36	3.78	10.52	11.04
<b>Distribution per unit (sen)</b>	-	-	<b>4.50</b>	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**

<b>As at 30 September 2012</b>	<b>Audited</b>	
	<b>2012</b>	<b>31 December</b>
	<b>RM'000</b>	<b>2011</b>
		<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment properties	1,284,743	1,273,620
<b>Current assets</b>		
Investment in quoted Shariah-compliant securities	7,818	7,388
Receivables	27,573	32,843
Cash and bank balances	3,176	14,946
	<b>38,567</b>	<b>55,177</b>
<b>TOTAL ASSETS</b>	<b>1,323,310</b>	<b>1,328,797</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	11,216	10,967
Islamic financing facility	104,304	95,414
	<b>115,520</b>	<b>106,381</b>
<b>Non Current liabilities</b>		
Islamic financing facility	90,000	90,000
<b>TOTAL LIABILITIES</b>	<b>205,520</b>	<b>196,381</b>
<b>NET ASSET VALUE</b>	<b>1,117,790</b>	<b>1,132,416</b>
<b>UNITHOLDERS' FUND</b>		
Unitholders' capital	658,635	658,635
Undistributed profit	459,155	473,781
<b>TOTAL UNITHOLDERS' FUND</b>	<b>1,117,790</b>	<b>1,132,416</b>
<b>UNITS IN CIRCULATION ('000)</b>	<b>626,905</b>	<b>626,905</b>
<b>NET ASSET VALUE (NAV) PER UNIT (RM)</b>	<b>1.7830</b>	<b>1.8064</b>

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**

<b>For the quarter ended 30 September 2012</b>	<b>Unitholders' capital</b>	<b>Undistributed profit</b>		<b>Unitholders' fund</b>
	<b>Realised</b>	<b>Unrealised</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2012</b>	<b>658,635</b>	<b>105,637</b>	<b>368,144</b>	<b>1,132,416</b>
Total comprehensive income	-	<b>41,319</b>	<b>22,418</b>	<b>63,737</b>
Transfer from unrealised to realised	-	<b>113</b>	<b>(113)</b>	-
Distribution to unitholders	-	<b>(78,363)</b>	-	<b>(78,363)</b>
<b>At 30 September 2012</b>	<b>658,635</b>	<b>68,706</b>	<b>390,449</b>	<b>1,117,790</b>
At 1 January 2011	565,681	72,040	155,552	793,273
Issuance of new units	92,954	-	-	92,954
Total comprehensive income	-	39,448	27,462	66,910
Transfer from unrealised to realised	-	(74)	74	-
Distribution to unitholders	-	(59,610)	-	(59,610)
At 30 September 2011	658,635	51,804	183,088	893,527

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 September 2012**

	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Cash receipts from customers	78,715	61,230
Cash paid to suppliers	<b>(2,784)</b>	(2,491)
<b>Net cash from operating activities</b>	<b>75,931</b>	58,739
<b>INVESTING ACTIVITIES</b>		
Purchase and enhancement of investment properties	<b>(11,945)</b>	(197,187)
Purchase of quoted Shariah-compliant securities	<b>(2,860)</b>	(2,958)
Proceeds from disposal of quoted Shariah-compliant securities	<b>3,426</b>	1,343
Profit earned from Shariah-based deposits	<b>199</b>	171
Net dividends received	<b>152</b>	93
<b>Net cash used in investing activities</b>	<b>(11,028)</b>	(198,538)
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of new units	-	94,370
Listing expenses	-	(1,416)
Drawdown of Shariah-compliant financing facility	<b>5,000</b>	93,000
Profit sharing expenses on financing paid	<b>(7,200)</b>	(4,657)
Distributions paid	<b>(78,363)</b>	(59,610)
<b>Net cash used in financing activities</b>	<b>(80,563)</b>	121,687
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(15,660)</b>	(18,112)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>14,532</b>	16,472
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>(1,128)</b>	(1,640)
<b>Cash and cash equivalents at end of year comprise:</b>		
Cash and bank balances	<b>41</b>	151
Shariah-based deposits with financial institution	<b>3,135</b>	3,622
Islamic financing - Cash line-i	<b>(4,304)</b>	(5,413)
<b>Cash and cash equivalents at end of year</b>	<b>(1,128)</b>	(1,640)

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 September 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**

- (i) 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.
- (ii) Interim distribution for the first half of the financial year ending 31 December 2012 of 4.5 sen per unit, amounting to RM28,210,703 was paid on 14 September 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 September 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 RM20.3 million for the current quarter, 13% lower than last year's corresponding quarter of RM22.9 million, mainly due to the lower performance-based profit sharing.

For the 9 months period ended 30 September 2012, the Fund recorded a revenue of RM73.6 million (2011: RM77.2 million). Fixed rental income was higher in current year at RM51.9 million (2011: RM49.1 million) since the rental from Sutera Estate, TRP Estate and Trong Mill only commenced on 1 April 2011. However, the performance-based profit sharing was lower at RM21.7 million (2011: RM28.1 million) due to the lower average CPO price. As a result, the profit after tax was lower at RM63.7 million (2011: RM66.9 million).

The unit price closed at RM2.01 per unit on 30 September 2012 while NAV at the end of the period stood at RM1.78 per unit.

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

	<b>Current Quarter 30.9.2012 RM'000</b>	<b>Preceding Quarter 30.6.2012 RM'000</b>
Revenue	24,800	24,599
Profit after taxation	20,312	22,452

Revenue recorded in the current quarter was slightly higher due to the higher performance-based profit sharing of RM7.5 million compared with RM7.3 million in the preceding quarter. However, profit after taxation was lower, mainly due to the negative movement in the valuation of investment in securities. The investment in securities recorded an unrealised loss of RM1 million in the current quarter compared with an unrealised gain of RM1.5 million in the preceding quarter.

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

The performance of the Fund for the year is expected to be lower than last year, as CPO prices for the fourth quarter are expected to be adversely affected by higher Malaysian CPO inventories and softening of demand.

**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**

	<b>Current Period 2012 RM'000</b>	<b>Cumulative Period 2012 RM'000</b>
<u>Purchases and disposals:</u>		
Total purchase consideration	-	2,860
Total sale proceeds	1,671	3,426
Total profit on disposal	172	294
<u>Investments as at 30 September 2012:</u>		<b>RM'000</b>
At cost		7,141
At carrying value/book value		7,100
At market value		7,818

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

**B8 Corporate Developments**

There were no outstanding proposals as at 22 November 2012.

**B9 Financing/Borrowings and Debt Securities**

	<b>30.9.2012 RM'000</b>	<b>31.12.2011 RM'000</b>
<u>Non-current:</u>		
Term financing-i	<u>90,000</u>	<u>90,000</u>
<u>Current:</u>		
Cash line-i	4,304	414
Revolving credit-i	<u>100,000</u>	<u>95,000</u>
	<u>104,304</u>	<u>95,414</u>

**B10 Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 22 November 2012.

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

There was no litigation as at 22 November 2012.

**B12 Income Distribution**

No distribution has been declared for the quarter under review.

**B13 Earnings per unit**

	<b>Current Period</b>		<b>Cumulative Period</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Net profit for the period (RM'000)</b>	20,312	22,901	63,737	66,910
<b>Weighted average number of units in issue ('000)</b>	626,905	626,905	626,905	626,905
<b>Basic earnings per unit (sen)</b>	3.25	3.65	10.17	10.67
<b>Distributions per unit (sen)</b>	-	-	4.50	4.00

By Order of the Board

DATUK 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  
22 November 2012