

AL-HADHARAH BOUSTEAD REIT
UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME

For the quarter ended 30 June 2013	Current period		Cumulative period	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Rental income				
- fixed	16,826	17,299	33,652	34,599
- performance-based (unrealised)	558	7,300	984	14,200
	17,384	24,599	34,636	48,799
Plantation operating expenses	(483)	(447)	(954)	(875)
Net rental income	16,901	24,152	33,682	47,924
Dividend income	82	67	164	94
Profit earned from deposits	47	37	95	110
Net realised gain on disposal of investment in quoted Shariah-compliant securities	379	45	379	122
	17,409	24,301	34,320	48,250
Fees to:				
Manager	(577)	(746)	(1,143)	(1,467)
Trustee	(56)	(56)	(112)	(111)
Auditors	(5)	(6)	(10)	(12)
Tax agent	(2)	(1)	(4)	(3)
Shariah adviser	(4)	(4)	(8)	(8)
Valuers	-	-	-	-
Profit sharing expenses on financing	(2,452)	(2,392)	(4,873)	(4,776)
Other expenses	(115)	(94)	(197)	(171)
	14,198	21,002	27,973	41,702
Unrealised gain on valuation of investment in quoted Shariah-compliant securities	571	1,450	664	1,723
Profit before taxation	14,769	22,452	28,637	43,425
Taxation	-	-	-	-
Net profit, representing total comprehensive income for the period	14,769	22,452	28,637	43,425
Total comprehensive income for the period is made up as follows:				
- realised	13,640	13,702	26,989	27,502
- unrealised	1,129	8,750	1,648	15,923
	14,769	22,452	28,637	43,425
Earnings per unit (sen):				
- realised	2.18	2.19	4.31	4.39
- unrealised	0.18	1.40	0.26	2.54
	2.36	3.59	4.57	6.93
Earnings per unit (sen):				
- after Manager's fee	2.36	3.59	4.57	6.93
- before Manager's fee	2.45	3.70	4.75	7.16
Distribution per unit (sen)	4.00	4.50	4.00	4.50

The Unaudited Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the period ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

AL-HADHARAH BOUSTEAD REIT
UNAUDITED CONDENSED STATEMENT OF STATEMENT OF FINANCIAL POSITION

As at 30 June 2013	Audited 31 December	
	2013 RM'000	2012 RM'000
ASSETS		
Non-current assets		
Investment properties	1,310,853	1,305,897
Current assets		
Investment in quoted Shariah-compliant securities	9,301	10,637
Receivables	1,123	20,339
Cash and bank balances	17,553	11,137
	27,977	42,113
TOTAL ASSETS	1,338,830	1,348,010
LIABILITIES		
Current liabilities		
Payables	9,000	12,325
Islamic financing facility	100,000	100,012
	109,000	112,337
Non Current liabilities		
Islamic financing facility	90,000	90,000
TOTAL LIABILITIES	199,000	202,337
NET ASSET VALUE	1,139,830	1,145,673
UNITHOLDERS' FUND		
Unitholders' capital	658,635	658,635
Undistributed profit	481,195	487,038
TOTAL UNITHOLDERS' FUND	1,139,830	1,145,673
UNITS IN CIRCULATION ('000)	626,905	626,905
NET ASSET VALUE (NAV) PER UNIT (RM)	1.8182	1.8275

The Unaudited Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the period ended 31 December 2012 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 2013	Unitholders' capital	Undistributed profit		Unitholders' fund
	Realised	Unrealised		
	RM'000	RM'000	RM'000	RM'000
At 1 January 2013	658,635	103,201	383,837	1,145,673
Total comprehensive income	-	26,989	1,648	28,637
Transfer from unrealised to realised	-	19	(19)	-
Distribution to unitholders	-	(34,480)	-	(34,480)
At 30 June 2013	658,635	95,729	385,466	1,139,830
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

The Unaudited Condensed Statement of Changes in Net Asset Value should be read in conjunction with the audited financial statements for the period ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

AL-HADHARAH BOUSTEAD REIT
UNAUDITED CONDENSED STATEMENT OF CASH FLOW

For the quarter ended 30 June 2013

	2013	2012
	RM'000	RM'000
OPERATING ACTIVITIES		
Cash receipts from customers	53,893	67,182
Cash paid to suppliers	(3,864)	(2,635)
Net cash from operating activities	50,029	64,547
INVESTING ACTIVITIES		
Purchase and enhancement of investment properties	(6,848)	(6,805)
Purchase of quoted Shariah-compliant securities	-	(2,860)
Proceeds from disposal of investment properties	-	-
Proceeds from disposal of quoted Shariah-compliant securities	2,372	1,755
Profit earned from Shariah-based deposits	85	99
Net dividends received	138	94
Net cash used in investing activities	(4,253)	(7,717)
FINANCING ACTIVITIES		
Drawdown of Shariah-compliant financing facility	-	-
Proceeds from issuance of new units	-	-
Profit sharing expenses on financing paid	(4,868)	(4,791)
Distributions paid	(34,480)	(50,152)
Net cash used in financing activities	(39,348)	(54,943)
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,428	1,887
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	11,125	14,532
CASH AND CASH EQUIVALENTS AT END OF YEAR	17,553	16,419
Cash and cash equivalents at end of year comprise:		
Cash and bank balances	2,100	42
Shariah-based deposits with financial institution	15,453	16,377
Cash and cash equivalents at end of year	17,553	16,419

The Unaudited Condensed Statement of Cash Flow should be read in conjunction with the audited financial statements for the period ended 31 December 2012 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 2013

Part A - Explanation Notes Pursuant to Malaysian Financial Reporting Standards (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).

The accounting policies and methods of computation used in the preparation of the quarterly financial statements are consistent with those adopted in the preparation of the audited financial statements of the Fund for the year ended 31 December 2012.

A2 Audit Report of Preceding Financial Year Ended 31 December 2012

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 2012 amounting to RM34,479,748 or 5.5 sen per unit was paid on 28 February 2013.

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.

A11 Changes in Composition of The Fund

There was no change in the composition of the fund size for the period under review.

AL-HADHARAH BOUSTEAD REIT

Notes to the Interim Financial Report for the Quarter Ended 30 June 2013

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 2012.

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 RM14.8 million for the current quarter, 34% down from last year's corresponding quarter of RM22.5 million, mainly due to a significant drop in performance-based profit sharing.

For the 6 months period ended 30 June 2013, the Fund recorded a revenue of RM34.6 million (2012: RM48.8 million). Fixed rental income was slightly lower after the renewal of the Ijarah agreements effective from 1 January 2013. Performance-based profit sharing however was significantly lower at RM1.0 million (2012: RM14.2 million) given the lower average CPO price realised during the period. As a result, profit after tax for the period was RM28.6 million, 34% lower than RM43.4 million recorded last year.

The unit price closed at RM1.85 per unit on 30 June 2013 while NAV at the end of the period stood at RM1.82 per unit.

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

	Current Quarter 30.6.2013 RM'000	Preceding Quarter 31.3.2013 RM'000
Revenue	17,384	17,252
Profit after taxation	14,769	13,868

Revenue recorded in the current quarter was slightly better than the preceding quarter, with a higher accrual of performance-based profit sharing. Profit after taxation was even higher, due to the realised gain on disposal of investment in securities which was nil in the preceding quarter, and higher unrealised gain on valuation of the securities.

B3 Prospects

The performance of the Fund in 2013 is expected to be lower compared with the previous year, as CPO prices has not rebound as expected. Prospect of CPO prices remain weak given supply is expected to outpace demand in the next 12 months.

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.

AL-HADHARAH BOUSTEAD REIT**Notes to the Interim Financial Report for the Quarter Ended 30 June 2013****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 2013 RM'000	Cumulative Period 2013 RM'000
<u>Purchases and disposals:</u>		
Total purchase consideration	-	-
Total sale proceeds	2,379	2,379
Total profit on disposal	379	379
<u>Investments as at 30 June 2013:</u>		RM'000
At cost		7,755
At carrying value/book value		8,637
At market value		9,301

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

B8 Corporate Developments

On 16 July 2013, the Board of Directors of Boustead REIT Managers Sdn Bhd ("Manager") received a letter ("SUR Proposal Letter") from Boustead Plantations Berhad ("BPB"), a major unitholder of the Fund, requesting the Manager to undertake the proposed conversion of the Fund to a private property trust by way of amendment to the Trust Deed dated 11 December 2006, which was amended and restated on 3 September 2009, proposed selective unit redemption exercise and proposed special dividend ("Proposals").

Following the receipt of the SUR Proposal Letter, the Board of Directors of the Manager, save for the Interested Directors, has on 30 July 2013 deliberated on the contents of the SUR Proposal Letter and has resolved to present the Proposals to the Fund's unitholders for their consideration. For further information on the Proposals, please refer to the announcement released by the Fund on the same day.

The Proposals are subject to inter-alia the approvals being obtained from unitholders of the Fund, shareholders of Boustead Holdings Berhad, being the holding company of BPB, the Securities Commission and Bursa Malaysia Securities Berhad. If the Proposals are undertaken and implemented, the Fund will become a private property trust with BPB being its sole beneficiary upon completion of the Proposals.

B9 Financing/Borrowings and Debt Securities

	30.06.2013 RM'000	30.06.2012 RM'000
<u>Non-current:</u>		
Term financing-i	<u>90,000</u>	<u>90,000</u>
<u>Current:</u>		
Revolving credit-i	<u>100,000</u>	<u>95,000</u>
	<u>100,000</u>	<u>95,000</u>

AL-HADHARAH BOUSTEAD REIT

Notes to the Interim Financial Report for the Quarter Ended 30 June 2013

B10 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 30 July 2013.

B11 Material Litigation

There was no litigation as at 30 July 2013.

B12 Income Distribution

An interim distribution of 4.0 sen per unit amounting to RM25,076,180 would be payable by 30 August 2013.

B13 Earnings per unit

	Current Period		Cumulative Period	
	2013	2012	2013	2012
Net profit for the period (RM'000)	14,769	22,452	28,637	43,425
Weighted average number of units in issue ('000)	626,905	626,905	626,905	626,905
Basic earnings per unit (sen)	2.36	3.59	4.57	6.93
Distributions per unit (sen)	4.00	4.50	4.00	4.50

By Order of the Board

SUZANA BINTI AHMAD (BAR COUNCIL NO. BC/S/356)

CHAN YOKE PENG (MAICSA NO. 7053966)

Company Secretaries

Boustead REIT Managers Sdn Bhd (90953-K)

As the Manager of Al-Hadharah Boustead REIT

Kuala Lumpur

30 July 2013