

HEKTAR REAL ESTATE INVESTMENT TRUST



Interim Report
2007



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This Interim Report for the period ended 30 June 2007 has been prepared by Hektar Asset Management Sdn Bhd (732261-T) as the Manager of Hektar REIT. Whilst every care has been taken in relation to its accuracy, no warranty is given or implied. The information provided is not investment advice and recipients should consider obtaining independent advice before making any decision that relies on this information. All values are expressed in Malaysian currency unless otherwise stated. This Interim Report is issued in August 2007.

Portfolio

HEKTAR REAL ESTATE INVESTMENT TRUST

Hektar Real Estate Investment Trust (“Hektar REIT”) is focused on investing in commercial retail shopping centres in Malaysia. The REIT consists of Subang Parade and Mahkota Parade located in Selangor and Melaka states, respectively.

Hektar REIT was established by a Trust Deed entered into on 5 October 2006 between Hektar Asset Management Sdn. Bhd. (“The Manager”) and AmTrustee Berhad (“The Trustee”), as Manager and Trustee respectively of Hektar REIT.

Hektar REIT was listed on the main board of Bursa Malaysia Securities Berhad on 4 December 2006. The principal investment objective is to invest in income-producing real estate in Malaysia which is primarily used for retail purposes and to provide the Unitholders with a secure income distribution and to enhance the long-term value of the REIT.

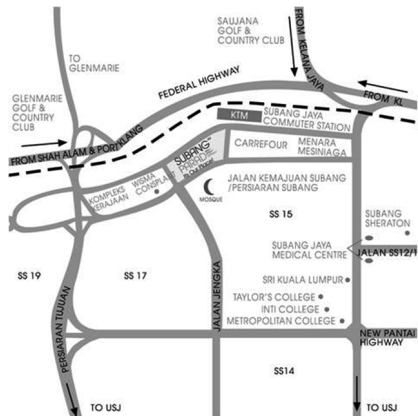
SUBANG PARADE

Subang Parade was the first ‘regional’ shopping centre in Selangor when it was opened in 1988, offering half a million sq ft of retail space. The centre is located in Subang Jaya, a township accessible 15 minutes by car from Shah Alam and Petaling Jaya, 25 minutes from Kuala Lumpur and 45 minutes from Kuala Lumpur International Airport (KLIA).

Today, Subang Parade’s positioning strategy and tenant mix is community-focused within its primary trade area and receives the bulk of its visitors from its immediate vicinity. The emphasis on the end-consumer provides the centre with a captive consumer base, whose primary retail needs is driven by value, convenience and the proximity of the centre.



Address
No. 5 Jalan SS 16/1, Subang Jaya
47500 Petaling Jaya
Selangor
MALAYSIA



MAHKOTA PARADE

Mahkota Parade was the first ‘regional’ shopping centre in Melaka when it was opened in 1994, offering over half a million square feet of retail space. The complex is located within Mahkota Melaka, the commercial and tourist centre of Melaka, situated in the heart of Melaka town.

Mahkota Parade is positioned as a prime shopping centre for metropolitan Melaka. The centre serves as the premier one-stop destination centre in the region, featuring a full array of dining, fashion and specialty offerings and entertainment, including a bowling alley, cinema and gaming arcade. The centre also serves as a key venue for major promotional events and community gatherings.



Address
No. 1 Jalan Merdeka
75000 Melaka
Melaka
MALAYSIA



Corporate Directory

MANAGER

Hektar Asset Management Sdn Bhd (Company No. 732261-T)

Manager's Principal Place of Business

Block A-2-4, Plaza Damas
No.60 Jalan Sri Hartamas 1
Sri Hartamas
50480 Kuala Lumpur.
Tel : 03-6201 1011
Fax : 03-6201 0012

Manager's Registered Office

Unit 419, Block A
Kelana Business Centre
No. 97, Jalan SS 7/2
Kelana Jaya
47301 Petaling Jaya
Selangor

BOARD OF DIRECTORS OF THE MANAGER

Dato' Jaafar Bin Abdul Hamid
Chairman and Chief Executive Officer

Zalila Mohd Toon
Executive Director and Chief Financial Officer

Shahril Kassim
Non-Executive Director

Dato' Syed Amin Aljeffri
Independent Non-Executive Director

Dato' Robert Lim Git Hooi
Independent Non-Executive Director

JOINT COMPANY SECRETARIES OF THE MANAGER

Muhammad Hafidz Bin Nuruddin (MAICSA 7005820)
Lim Seck Wah (MAICSA 0799845)

TRUSTEE

AmTrustee Berhad (Company No. 163032-V)
(a member of AmInvestment Group Berhad)
17th Floor, Bangunan Ambank Group
55 Jalan Raja Chulan
50200 Kuala Lumpur

PROPERTY MANAGER

Izrin & Tan Properties Sdn Bhd (Company No. 602338-K)
1-1 Jalan 5/76B
Desa Pandan
55100 Kuala Lumpur

PRINCIPAL BANKER OF THE FUND

Malayan Banking Berhad (Company No. 3813-K)
Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur

AUDITOR

Shamsir Jasani Grant Thornton (AF : 0737)
Level 11 Faber Imperial Court
Jalan Sultan Ismail
P.O. Box 12337
50774 Kuala Lumpur

TAX AGENT

Shamsir Jasani Grant Thornton (AF : 0737)
Level 11 Faber Imperial Court
Jalan Sultan Ismail
P.O. Box 12337
50774 Kuala Lumpur

REGISTRAR

Mega Corporate Services Sdn Bhd (Company No. 187984-H)
Level 15-2 Faber Imperial Court
Jalan Sultan Ismail
P.O. Box 12337
50774 Kuala Lumpur

BURSA MALAYSIA STOCK CODE

HEKTAR 5121

Financial Update

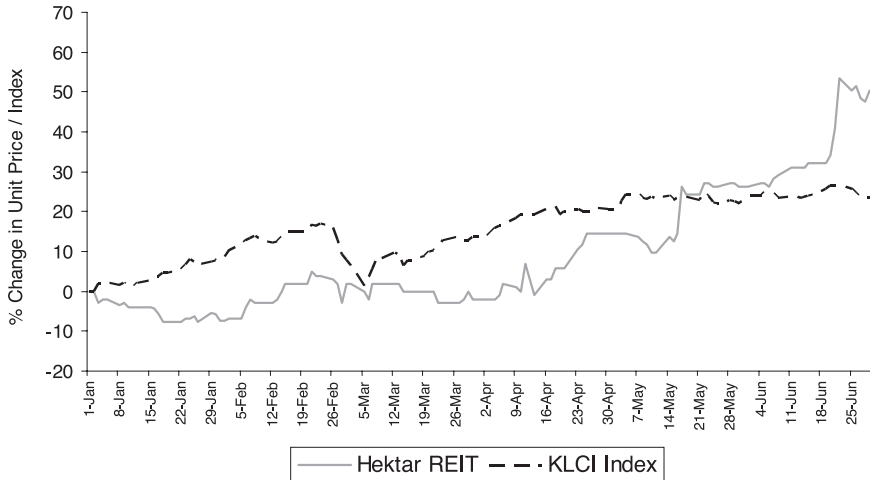
		Unaudited 1 December 2006 to 30 June 2007 (7 months) RM
Net Income before tax		19,727,256
Income Distribution		15,360,048
Earnings per Unit – Total	(sen)	6.16
Distribution per Unit - Realised	(sen)	4.80
Distribution Yield	(%)	3.16
Annualised distribution yield ⁽¹⁾	(%)	5.72
Annualised management expenses ratio	(%)	1.10

(1) This is annualised on a 12-month period, based on the unit market price of RM1.55 as at 29 June 2007.

		As at 30 June 2007 RM
Total Assets		543,236,602
Total Borrowing		184,000,000
Total Unitholders' Fund		332,557,426
Market Capitalisation		496,001,550
Total Borrowing to Total Assets	(%)	33.87
Net Asset Value per Unit	(RM)	1.04
Market Price per Unit	(RM)	1.55
No of Units in circulation		320,001,000

Chart: Unit Price Performance

1 January – 30 June 2007	
Hektar REIT	+ 50.5%
KLCI Index	+ 23.6%



KLCI - Kuala Lumpur Composite Index.
Source: Bloomberg

Salient Features of Trust

Name of fund	Hektar Real Estate Investment Trust
Fund category	Real Estate Investment Trust (REIT)
Fund type	Growth and income.
Investment objectives	Our principal investment objective is to invest in income-producing real estate in Malaysia which is primarily used for retail purposes and to provide the Unitholders with a secure income distribution and to enhance the long-term value of the Fund.
Investment strategies	<p>We aim to achieve the objective of the Fund with the following:</p> <ul style="list-style-type: none">• Invest and manage real estate assets predominantly involved in retail and/or shopping centres;• Acquire and manage future assets which are income-producing properties or possess significant potential for income growth;• Focus on investing under a long-term investment horizon;• Manage and continue to extract synergies and efficiencies from the existing portfolio; and• Finance operations and investments under a conservative but conducive capital structure
Approved size of Trust	320,001,000 Units.
Authorized investments	<ul style="list-style-type: none">• At least 75% of the total assets of Hektar REIT shall be invested in real estate assets, real estate-related assets, single purpose companies or liquid assets;• At least 50% of the total assets of Hektar REIT must be invested in real estate assets or single purpose companies; and• The balance 25% of the total assets of Hektar REIT may be invested in any other authorised investments

Initial Public Offering Retail Price	RM1.05 per Issue Unit.
Financial Period	Financial year ended/ ending 31 December.
Distribution policy	Quarterly in arrears. Barring any unforeseen circumstances, for the thirteen (13) months financial period ending 31 December 2007, we intend to distribute RM30.810 million or 90% of the distributable income of Hektar REIT, whichever is higher
Borrowing limitations	Up to 50% of the total asset value of the Fund at the time the borrowing is incurred.
Revaluation policy	As per FRS 140, the real estates shall be revalued at least once every year from the date of the last valuation on a desktop basis; as per SC Guidelines, a full revaluation will be conducted every 3 years.
Redemption policy	Unit holders have no right to request us to repurchase their Units while the Units are listed
Minimum initial investment	Minimum of 100 Units
Minimum additional investment	Multiples of 100 Units
Investor profile	Suitable for investors who understand the risks related to the real estate industry, in particular retail complexes and expect to benefit from the periodic distribution of income and long-term growth of the Fund
Form	The Units will be issued in registered form and shall be constituted by the Deed
Board lot	100 Units per board lot
Quotation	Main Board of Bursa Malaysia Securities
Bursa Malaysia Stock Code	HEKTAR 5121

Manager's Report

The Board of Directors of Hektar Asset Management Sdn Bhd (“The Manager”), the Manager of Hektar Real Estate Investment Trust are pleased to submit their report to the Unitholders of Hektar REIT together with the unaudited financial statements of Hektar REIT for the seven (7) months period ended 30 June 2007.

PRINCIPAL ACTIVITY

Hektar REIT was established on 5 October 2006 and listed on Bursa Malaysia Securities Berhad on 4 December 2006. The principal activity of Hektar REIT is to invest primarily in shopping centres with the objective of achieving an attractive level of return from rental income as well as for long-term capital growth.

REVIEW OF PERFORMANCE

		As At 30 June 2007
		RM
Total Net Asset Value		332,557,426
Units in Circulation	(Units)	320,001,000
Net Asset Value per unit		1.04
Market Value per Unit as at 30 June 2006		1.55
Highest Traded Price for the seven-month period		1.60
Lowest Traded Price for the seven-month period		0.95

OPERATING RESULTS

		Period Ending 30 June 2007
		RM
Total Gross Income		41,717,912
Total Property Expenses		15,395,450
Total Income		26,322,462
Total Non-Property Expenses		6,595,207
Income before taxation		19,727,256
Income after Taxation		19,727,256
Earnings per Unit after Tax	(sen)	6.16
Distribution per Unit (“DPU”)	(sen)	4.80

The Manager is pleased to report that for the seven (7) months financial period ended 30 June 2007, the total revenue of the Trust was RM41,717,912 comprising gross rental income of RM41,646,044 and other income of RM71,868. On an average basis, actual revenue of RM41,717,912 exceeded the forecast by 3% while actual expenses were capped within forecast. Savings on interest expenses were also substantial as the actual interest rate (4.7% p.a.) was significantly lower than forecasted (5.85% p.a.).

Income before taxation was RM19,727,256 after deducting total Trust expenditure and borrowings of RM6,595,207.

The Manager has recommended and the Trustee has approved an income distribution of 4.80 sen per unit (equivalent to 78% of income before tax) totaling RM15,360,048 for the first half of the 13-month period ended 31 December 2007. The Manager intends to distribute at least 90% of the actual full year distributable income or 100% of forecast distributable income published in the prospectus, whichever is higher.

The Manager expects the continuation of its performance for the 2nd half of 2007.

INCOME DISTRIBUTION

An income distribution of 2.40 sen per unit, totaling RM7,680,024 was paid on 17 May 2007 in respect to the 4-month financial period ended 31 March 2007.

For the three (3) months financial period ended 30 June 2007, the Manager has recommended and the Trustee has approved an interim income distribution of 2.40 sen per unit, totaling RM7,680,024 to be paid on 30 August 2007.

BREAKDOWN OF UNITHOLDERS AS AT 17 AUGUST 2007

	No. of Unitholders	% of Total Unitholders	No. of Units Held	% of Total Units
5,000 and below	246	51	472,400	0.15
5,001 to 10,000	115	24	1,000,900	0.31
10,001 to 50,000	58	12	1,522,000	0.47
50,001 to 500,000	33	7	7,126,900	2.23
500,001 and above	31	6	309,878,800	96.84
	483	100	320,001,000	100

DIRECTORS OF THE MANAGER

Directors who served on the Board of Hektar Asset Management Sdn Bhd since commencement are:

Dato' Jaafar Bin Abdul Hamid
 Zalila Mohd Toon
 Dato' Robert Lim Git Hooi
 Dato' Syed Amin Aljeffri
 Shahril Bin Kassim

MEETING ATTENDANCE

Director	Board Meetings (No. of meetings held - 3)
Dato' Jaafar Bin Abdul Hamid	3
Zalila Mohd Toon	3
Dato' Robert Lim Git Hooi	3
Dato' Syed Amin Aljeffri	3
Shahril Bin Kassim	3

DIRECTORS BENEFITS

For the seven (7) months period ended 30 June 2007, no Director of the Manager has received or become entitled to receive any benefit by reason of a contract made by the Trust or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the seven-month period, which had the objective of enabling Directors of the Manager to acquire benefits by means of the acquisition of units in, or debentures of the Trust or any other corporate body.

MANAGER'S FEE

The Trustee and Unitholders must approve any increase in the maximum permitted level of the Manager's fees by way of a resolution of the Unitholders of not less than 2/3 of all Unitholders for the time being or majority passed at a Unitholders' meeting convened in accordance with the Deed.

From 2007-2009, the Manager will receive 0.25% of the Gross Asset Value ("GAV") of Hektar REIT and a performance fee of 3.5% of Net Property Income ("NPI"), before deducting the Property Manager fees excluding Goods and Services Tax ("GST"), if any. In accordance to the Trust Deed, the Manager is entitled to receive a base fee of up to 1% per annum of the GAV of Hektar REIT, as well as a performance fee of up to 5% of the NPI.

Other fees comprise the following:-

- (a) Acquisition fee of up to 1% of the acquisition value; and
- (b) Divestment fee of up to 0.5% of disposal value.

For the seven (7) months ended 30 June 2007, the Manager's fee was RM1,822,950 representing 0.93% per annum of the Net Asset Value ("NAV") of Hektar REIT. The Manager did not receive any soft commissions during this period.

Save for the expenses incurred for the general overheads and costs of services which the Manager is expected to provide, or falling within the normal expertise of the Manager, the Manager has the right to be reimbursed the fees, costs, charges, expenses and outgoings incurred by it that are directly related and necessary to the business of the Trust.

CORPORATE DEVELOPMENTS

Partnership with Frasers Centrepoint Limited

On 16 May 2007, an announcement was made to Bursa Malaysia to inform that Hektar Klasik Sdn Bhd ("HKSB"), the holding company of Hektar Asset Management Sdn Bhd had on 16 May 2007 entered into a conditional Sale and Purchase Agreement with Frasers Centrepoint Limited ("FCL") for FCL to acquire 400,000 ordinary shares of RM 1.00 each comprising 40% of the issued and paid up share capital in The Manager for a total cash consideration of RM 500,000.

FCL is a wholly-owned subsidiary of Fraser & Neave, Limited, Singapore, a leading international and diversified business group.

The announcement also added that, as part of a multi-tiered partnership between the Hektar Group and the FCL Group, Hektar Black Sdn Bhd ("HBSB"), a company related to HKSB, has also entered into a Sale and Purchase Agreement with HSBC Institutional Trust Services (Singapore) Limited, the trustee to Frasers Centrepoint Trust ("FCT"), for FCT to acquire 32,000,000 units of RM1.00 each in Hektar REIT at a purchase consideration of RM1.21 per unit, representing 10% of the total issued units of Hektar REIT from HBSB.

The two agreements are not inter-conditional.

The acquisition of the REIT units by FCT as mentioned above has been completed on 5 June 2007. However, the Sale & Purchase Agreement ("SPA") for the acquisition of the 40% interest in the issued and paid up share capital of The Manager by FCL is still ongoing. On 16 August 2007, the SC via its letter has granted approval of the proposed acquisition. The completion date for this SPA has since been extended by mutual agreement to 16 September 2007.

Public Spread

On 5 July 2007, The Manager informed Bursa Malaysia that the public spread of Hektar REIT as at 29 June 2007 is 31.96% in the hands of 503 public unit holders holding not less than 100 units each.

This is in relation to an earlier announcement made by The Manager on 29 March 2007 regarding the non-compliance of the public spread requirement as provided for under Clause 8.13 of Bursa Malaysia Listing Requirements as well as the letter from Bursa Malaysia dated 28 March 2007 wherein Bursa had granted Hektar an extension of time of 6 months, until 1 September 2007 to comply with this requirement.

The Manager is continuing to exercise its best endeavors to rectify the public spread number by continuing investor relations programmes via (a) investor and broker conferences; (b) roadshow presentations to fund managers and (c) marketing and investor education of REIT's to new and foreign investors.

Acquisition of Sold Lot

In the First Quarter announcement, The Manager announced that on 10 April 2007, AmTrustee Berhad acting for and on behalf of Hektar REIT had entered into a SPA to acquire Lot F28A, a retail space at Subang Parade, for RM510,000. Lot F28A represents one of the individual lots which were previously sold prior to the acquisition of Subang Parade by Hektar REIT.

The transaction was completed on 9 July 2007.

GROWTH STRATEGIES

The Manager has devised multiple-pronged strategies to sustain the growth of Hektar REIT, which are summarised as follows:

1. Portfolio Optimisation
 - a. Active Leasing – The Manager will continue refreshing the tenancy mix of its assets to align with the needs and demands of its target shoppers;
 - b. Marketing and Promotion – Aggressive marketing and promotion programmes have been planned all-year round to enhance and retain shopper traffic; and
 - c. Asset Enhancement – Enhancements are continuously planned and made to increase net lettable area. In addition, all sold lots that are up for sale are being evaluated for possible buy-back / repurchase.

2. Yield-Accretive Acquisitions

- a. Stabilised Properties – These are stable properties which are already contributing strong cash flow. Acquisitions of these types of properties will be yield accretive to the REIT and may enhance liquidity of the REIT; and
- b. Turnaround Properties – These are properties that are currently under-serving their respective markets and if managed actively, have the potential of yielding significantly better performance in the medium term. Acquisitions of these types of properties will ensure a substantial increase in the value of Hektar REIT as a whole, as well as improved returns to Unitholders.

The Manager is currently undertaking due diligence exercises on a few shopping centres.

GEARING

DEBT FACILITIES

Hektar REIT has a RM184,000,000 Murabahah overdraft (“MOD”) facility with Maybank which has been fully drawn down for part payment towards the acquisition of Subang Parade and Mahkota Parade.

GEARING CAPACITY

As at 30 June 2007, Hektar REIT had a gearing ratio (external borrowings to total assets) of 34%. Based on the current GAV of RM543,236,602, there is capacity to borrow an additional RM87,618,301 before reaching the 50% limit permitted under the SC Guidelines on REITs.

The Manager will be utilizing the available credit facilities to further pursue its acquisitions prior to a Unit Issue.

UNITS IN ISSUE

The total number of units in issue of Hektar REIT is 320,001,000.

INVESTMENTS OF THE TRUST

Total Investments as at 30 June 2007 was RM514,922,362.

At Cost:

Real Estate	%	RM
Subang Parade	55	280,000,000
Mahkota Parade	45	234,922,362

NET ASSET VALUE OF HEKTAR REIT

The Net Asset Value (“NAV”) of Hektar REIT as at 30 June 2007 is RM1.04 per unit. In line with our listing requirements, the NAV has been posted weekly with Bursa Malaysia and published on their website.

PORTFOLIO PERFORMANCE

a) Occupancy

Hektar REIT’s existing portfolio (Subang Parade & Mahkota Parade) historically and continually enjoys above-average occupancy rates, currently standing at an average of approximately 96%. This is due to its strategic location as well as active planning & management on the part of The Manager.

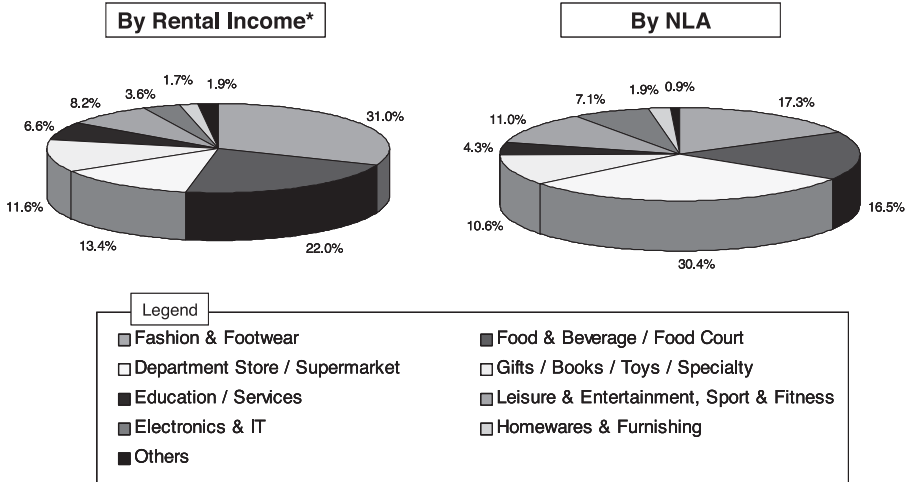
Table: Portfolio Occupancy (2003 – 30 June 2007)

Property	As of December 31, 2003	As of December 31, 2004	As of December 31, 2005	As of September 30, 2006	As of June 30 2007
Subang Parade	97.7%	93.4%	98.3%	98.5%	99.6%
Mahkota Parade	-	86.8%	96.9%	94.9%	94.1%
Total / Overall	97.7%	91.3%	97.6%	96.7%	96.9%

b) Tenancy Mix

Hektar REIT’s overall portfolio tenancy mix is well diversified with fashion & footwear contributing approximately 31.0% of monthly rental income for June 2007. The next largest segment food & beverage contributed approximately 22.0% of monthly rental income. By Net Lettable Area (“NLA”) terms, department stores & supermarkets occupied approximately 30.4% of total NLA.

Chart: Hektar REIT Tenancy Mix (as of 30 June 2007)



* based on monthly rental income for June 2007

c) Rental Reversions

Within the last seven (7) months, Hektar REIT has recorded positive rental reversions from new tenancies & renewals. A total of 43 tenancies were affected, resulting in a positive overall average rental increase of approximately 33% over the previous rental rates.

Table: Rental Reversions (Year-To-Date, as at 30 June 2007)

Year-To-Date (7 months) (Ending 30 Jun)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	Increase / (Decrease) Over Previous Rent Rates	%
Subang Parade	22	57,716	12%		18%
Mahkota Parade	21	21,922	5%		69%
Portfolio Total / Average	43	79,638	8%		33%

d) Tenants Diversification

As at 30 June 2007, Hektar REIT's top ten tenants contributed approximately 28% to monthly rental income for the month of June 2007. The anchor tenant, Parkson Grand, occupied approximately 26.9% of total NLA while contributing approximately 12.2% of total monthly rental income. After Parkson Grand, no other tenant contributed more than 2.0% of monthly rental income to the REIT.

Table: Hektar REIT Top Ten Tenants (as at 30 June 2007)

Tenant	Trade Sector	NLA (sq ft)	% of Total Monthly Rental Income	% of Total Monthly Rental Income
1 Parkson Grand	Department	254,009	26.9%	12.2%
2 The Reject Shop	Fashion	17,695	1.9%	2.0%
3 Bata	Fashion	7,169	0.8%	2.1%
4 Bonia	Fashion	5,965	0.6%	1.9%
5 McDonald's	F&B	10,457	1.1%	1.9%
6 Golden Bowl	Leisure	36,717	3.9%	1.7%
7 World of Sports	Fashion	10,796	1.1%	1.6%
8 Kenny Rogers Roasters	F&B	7,096	0.8%	1.6%
9 Celebrity Fitness	Leisure	34,317	3.6%	1.5%
10 B.U.M. City	Fashion	13,918	1.5%	1.3%
Top 10 Tenants (By Total Monthly Rental Income)		398,139	42.2%	27.9%
Other Tenants		546,127	57.8%	72.1%
Total		944,266	100.0%	100.0%

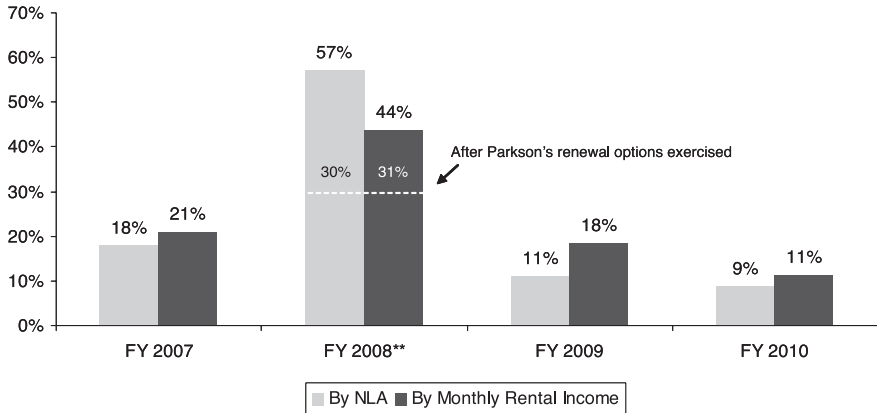
e) Tenancy Expiry Profile

As at 30 June 2007, Hektar REIT possessed a balanced portfolio tenancy expiry profile. The figures for the monthly rental income were for June 2007. Major anchor tenant Parkson possessed renewal options for up to 9 years, commencing in 2008. With Parkson's renewal options exercised, the exposure in FY 2008 represented approximately 30% of total NLA and 31% of total monthly rental income.

Table: Portfolio Tenancy Expiry Profile (as at 30 June 2007)

Portfolio For Year Ending 31 December	No. of Tenancies Expiring	NLA of tenancies expiring (sq ft)	NLA of tenancies expiring as % of total NLA	% of Total Monthly Rental Income
FY 2007	51	168,046	18%	21%
FY 2008	84	541,119	57%	44%
FY 2009	57	103,663	11%	18%
FY 2010	33	82,456	9%	11%

Chart: Portfolio Tenancy Expiry Profile (as at 30 June 2007)



** After Parkson's tenancy renewal options for 9 years are exercised, tenancy expiry profile for 2008 is 30% of total NLA or 31% of total monthly rental income.

This concludes the Manager's Report on behalf of The Manager with a resolution of the Directors.

DATO JAAFAR BIN ABDUL HAMID
 Chairman / Chief Executive Officer

ZALILA MOHD TOON
 Executive Director / Chief Financial Officer

Kuala Lumpur,
 August 2007

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Financial Statements

For the seven-month period ended 30 June 2007

Statement by the Manager

In the opinion of the Directors, the unaudited financial statements set out on pages 23 to 26 are drawn up in accordance with the provisions of the Deed dated 5 October 2006, Securities Commission's Guidelines on Real Estate Investment Trusts, applicable securities laws and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of Hektar Real Estate Investment Trust at 30 June 2007 and of the results of their operations and cash flows for the seven-months period ended on that date.

Signed on behalf of the Board
of Directors of the Manager

DATO' JAAFAR BIN ABDUL HAMID

ZALILA MOHD TOON

Kuala Lumpur,
August 2007

Trustee Report

To the unitholders of Hektar Real Estate Investment Trust (Established in Malaysia)

We have acted as Trustee of **HEKTAR REAL ESTATE INVESTMENT TRUST** (“Hektar REIT”) for the seven (7) months financial period ended 30 June 2007. In our opinion, **HEKTAR ASSET MANAGEMENT SDN BHD** (“The Manager”) has managed Hektar REIT in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deed dated 5 October 2006, other provisions of the Deed, the Securities Commission Act 1993, the applicable Guidelines on Real Estate Investment Trusts and other applicable laws during the six months financial period ended.

We have also ensured the procedures and processes employed by the Manager to value and price the units of Hektar REIT are adequate and that such valuation/ pricing is carried out in accordance with the Deed and other regulatory requirements.

We confirm that the recommended interim net income distribution of 4.8 sen per unit for the seven-months financial period ended 30 June 2007 is in line with and is reflective of the objectives of Hektar REIT.

For and on behalf of the Trustee
AmTrustee Bhd

RAJA AMIR SHAH BIN RAJA ABDUL AZIZ
Chief Executive Officer

Kuala Lumpur,
August 2007

Balance Sheet

As at 30 June 2007 (Unaudited)
RM

Non-current assets	
Investment	
Investment properties	514,922,362
Deposits placed with licensed banks	1,257,000
	516,179,362
Current assets	
Trade and other receivables	5,073,066
Cash and bank balances	21,984,174
	27,057,240
Total Assets	543,236,602
Current liabilities	
Trade and other payable	1,901,019
Provisions for income distribution	7,680,024
Tenancy Deposits	17,098,133
Total Liabilities	26,679,176
	516,557,426
Financed by:	
Unitholders' funds	
Unitholders' capital	336,586,000
Establishment and issue expenses	(8,395,782)
Undistributed income	4,367,208
	332,557,426
Long Term Liabilities	184,000,000
	516,557,426
Units in circulation ('000)	320,001,000
Net Asset Value ("NAV") per unit (RM)	
- after income distribution	1.04

The notes set out on pages 27 to 37 form an integral part of, and should be read in conjunction with these financial statements.

Income Statement

For the seven-month period
ended 30 June 2007
(Unaudited)
RM

Gross Income	
Gross rental income	41,646,044
Property expenses	(15,395,450)
Net rental income	26,250,594
Interest income	63,904
Other income	7,964
Trust expenses	(2,144,039)
Borrowing Cost	(4,451,168)
Total expenditure	(6,595,207)
Income before taxation	19,727,255
Tax expense	-
Net income for the period	19,727,255
Earnings per unit - (sen)	6.16
Earning per unit (before manager's fee)	6.73
Income distribution	
- Paid on 17 May 2007	7,680,024
- to be paid on 30 August 2007	7,680,024
	15,360,048
Interim income distribution per unit (sen)	4.8

The notes set out on pages 27 to 37 form an integral part of, and should be read in conjunction with these financial statements.

Statement of Changes in Net Asset Value

For the 7-month period ended 30 June 2007 (Unaudited)

	Unitholders' capital RM	Undistributed		Unitholders' fund RM
		Unrealised	Realised	
At 1 December 2006	1,000	-	-	1,000
<u>Operation for the period ended 30 June 2007</u>				
Net Income for the period	-	-	19,727,256	19,727,256
	<u>1,000</u>	<u>-</u>	<u>19,727,256</u>	<u>19,728,255</u>
<u>Unitholders' transaction</u>				
Creation of units	336,585,000	-	-	336,585,000
Listing expenses	(8,395,782)	-	-	(8,395,782)
Distribution to unitholders	-	-	(15,360,048)	(15,360,048)
	<u>328,189,218</u>	<u>-</u>	<u>(15,360,048)</u>	<u>312,829,170</u>
At 30 June 2007	<u>328,190,218</u>	<u>-</u>	<u>4,367,208</u>	<u>332,557,426</u>

The notes set out on pages 27 to 37 form an integral part of, and should be read in conjunction with these financial statements.

Cash Flow Statement

For the seven-month period
ended 30 June 2007
(Unaudited)
RM

CASH FLOW FROM OPERATING ACTIVITY	
Profit before taxation	12,047,232
Adjustments for:	
Interest income	(63,904)
Interest expense	4,451,168
Provision for doubtful debts	70,000
Operating profit before changes in working capital	16,504,496
Decrease/(Increase) in receivables	(5,073,066)
(Decrease)/Increase in payables	26,609,176
Net cash generated/(used) from operating activities	38,040,606
CASH FLOW FROM INVESTING ACTIVITY	
Acquisition of properties	(354,421,362)
Interest income	63,904
Net Cash generated/(used) from investing activities	(354,357,458)
CASH FLOW FROM FINANCING ACTIVITY	
Unitholders' capital	176,085,000
Interest paid	(4,451,168)
Listing expenses	(8,395,782)
Borrowings	184,000,000
Distribution to Unitholders	(7,680,024)
Net cash used in financing activities	339,558,026
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	23,241,174
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	-
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	23,241,174

Notes to the Financial Statements

These notes form an integral part of the financial statements. The financial statements were approved and authorised for use by the Directors of the Manager on 6 August 2007.

1. GENERAL

Hektar Real Estate Investment Trust ("Hektar REIT") is a Malaysia-domiciled real estate investment trust constituted pursuant to a Deed dated 5 October 2006 (the "Deed") between Hektar Asset Management Sdn Bhd (the "Manager") and AmTrustee Berhad (the "Trustee"). The Deed is regulated by the Securities Commission Act, 1993, the Securities Commission's Guidelines on Real Estate Investment Trusts, the Listing Requirement of Bursa Malaysia Securities Berhad, the Rules of the Depository and taxation laws and rulings.

Hektar REIT was formally admitted to the Main Board of Bursa Malaysia Securities Berhad on 4 December 2006.

The principal activity of Hektar REIT is to invest in primarily retail shopping centres.

Hektar REIT has entered into several service agreements in relation to the management of Hektar REIT and its property operations. The fee structure of these services is as follows:

(a) Property management fees

The Property Manager, Izrin & Tan Properties Sdn Bhd, is entitled to a property management fee in respect of the management of the investment properties owned by Hektar REIT as provided in the Deed. The fee is determined by a graduated scale based on the gross annual rental income as provided in the provisions of the revised Valuers, Appraisers and Estate Agents Act, 1981 as required by the Securities Commission's Guidelines on Real Estate Investment Trusts. The property management fees are payable monthly in arrears.

(b) Manager's fees

The Trustee and Unitholders must approve any increase in the maximum permitted level of the Manager's fees by way of a resolution of the Unitholders of not less than 2/3 of all Unitholders for the time being or majority passed at a Unitholders' meeting convened in accordance with the Deed.

From 2007-2009, the Manager will receive 0.25% of the Gross Asset Value ("GAV") of Hektar REIT and a performance fee of 3.5% of Net Property Income ("NPI"). In accordance to the Trust Deed, the Manager is entitled to receive a base fee of up to 1% per annum of the GAV of Hektar REIT, as well as a performance fee of up to 5% of the NPI. For the seven (7) months ended 30 June 2007, the Manager's fee was RM1,822,950 representing 0.93% per annum of the Net Asset Value ("NAV") of Hektar REIT. The Manager did not receive any soft commissions during this period.

Save for the expenses incurred for the general overheads and costs of services which the Manager is expected to provide, or falling within the normal expertise of the Manager, the Manager has the right to be reimbursed the fees, costs, charges, expenses and outgoings incurred by it that are directly related and necessary to the business of the Trust.

(c) Trustee's fees

From 2007-2009, the Trustee will receive 0.035% of the Net Asset Value ("NAV") of Hektar REIT. In Pursuant to the Deed, the Trustee is entitled to receive a fee of up to 0.1% per annum of the Net Asset Value of Hektar REIT calculated on a monthly accrual basis and payable monthly in arrears. The trustee's fees for seven months ended 30 June 2007 is RM72,217.00 .

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited financial statements are prepared in accordance with applicable Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Malaysia Accounting Standards Board ("MASB").

The following accounting policies are adopted by Hektar REIT:

- FRS 101 Presentation of Financial Statements
- FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
- FRS 110 Events After the Balance Sheet Date
- FRS 132 Financial Instruments: Disclosure and Presentation
- FRS 133 Earnings Per Share
- FRS 136 Impairment of Assets
- FRS 140 Investment Property

In addition to the new policies and extended disclosures where required by these new Standards, the effects of the changes in the above accounting policies are disclosed in Note 21 to these financial statements.

(a) Basis of accounting

The financial statements of Hektar REIT are prepared in Malaysian Ringgit and rounded to the nearest thousand, unless otherwise stated. They are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Deed, Securities Commission's Guidelines on Real Estate Investment Trust and Securities Commission Act 1993.

The preparation of financial statements in conformity with FRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

(b) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. An external, independent valuation company, having an appropriate recognized professional qualification and recent experience in the location and category of property being valued, values the portfolio every year.

Any gain or loss arising from a change in fair value is recognized in the income statement for the period in which it arises. Rental income from investment property is accounted for as described in Note 2 (i).

In prior period, investment properties are stated at cost and no depreciation is provided on investment properties. It is Hektar REIT's practice to appraise the investment properties at least once every year, by independent professional valuers based on open market value. Any surplus arising there from will be incorporated in the financial statements.

(c) Trade and other receivables

Trade and other receivables are stated at cost less impairment losses for bad and doubtful debts.

(d) Cash and cash equivalents

Cash and cash equivalents consists of cash in hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(e) Liabilities

Borrowings and trade and other payables are stated at cost.

(f) Provisions

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation (legal or constructive) as a result of a past event and a reliable estimate can be made of the amount.

Provisions for Income Distribution

Provisions for income distribution are recognised when any distribution declared, determined or publicly recommended by the Directors of the Manager and approved by the Trustee but not distributed at the Balance Sheet date.

(g) Impairment

The carrying amount of the assets (other than investment properties and deferred tax assets) is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognized in the income statement, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to equity. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement, unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

(h) Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

(i) Revenue

i) Rental income

Rental income consists of rental income from letting of lots, car park and other associated income, is recognised on a straight-line basis over the term of rent.

ii) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

(j) Expenses

i) Property expenses

Property expenses consist of property management fees, quit rents and assessment, and other property outgoings in relation to investment properties where such expenses are the responsibility of the Trust. Property management fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.(a)

ii) Manager's fees

Manager's fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.(b)

iii) Trustee's fees

Trustee's fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.(c)

iv) Interest expense

All interest and other costs incurred in connection with borrowings are expensed as incurred.

3. INVESTMENT PROPERTIES

DESCRIPTION OF PROPERTY	TENURE OF LAND	TERM OF LEASE YEAR	REMAINING TERM OF LEASE YEAR	LOCATION	EXISTING USE	OCCUPANCY RATES AS AT 30 JUNE 2007 (%)	VALUATION AS AT 30 JUNE 2007 RM'000	ACQUISITION COST RM'000	PERCENTAGE OF VALUATION TO NET ASSET VALUE AS AT 30 JUNE 2007 (%)
Subang Parade *	Freehold	-	-	Subang Jaya	Shopping Complex	99.6	290,000	280,000	84
Mahkota Parade **	Leasehold	99	94	Melaka	Shopping Complex	94.1	233,000	232,000	70
							523,000	512,000	

*The properties were valued on 18 July 2005 by Henry Butcher Sdn. Bhd., an independent firm of professional valuers using the comparison, the cost and the investment methods of valuation. The property is sited on Lot 14193 and is freehold.

**The property was valued on 22 July 2005 by Henry Butcher Sdn. Bhd., an independent firm of professional valuers using the comparison and investment methods of valuation. This property is sited on Lot 1337 is leasehold for a period of 99 years, expiring on July 18, 2101. The acquisition cost of Mahkota Parade of RM232 million does not include a subsequent capital expenditure exercise of RM2,922,362. If incorporated, the total cost is RM234,922,362.

4. CASH AND BANK BALANCES

	30.6.2007 RM
Deposits placed with licensed banks	1,257,000
Cash and bank balances	21,984,174
	<u>23,241,174</u>

5. TRADE AND OTHER RECEIVABLES

	30.6.2007 RM
Trade receivables	216,083
Other receivables, deposits and prepayments	4,856,983
	<u>5,073,066</u>

6. BORROWINGS

	30.6.2007 RM
Murabahah Overdraft ("MOD") – secured	184,000,000

The MOD is secured by way of fixed charge over Subang Parade. MOD is subject to interest rate of Cost of Funds plus 50 basis points in 2007 and Cost of Funds plus 75 basis points for the subsequent four years. Currently, the Cost of Funds is 4.2%.

7. PROVISION FOR INCOME DISTRIBUTION

	30.6.2007 RM
At beginning of period	15,360,048
Provision made during the period	7,680,024
Distribution paid	<u>7,680,024</u>
At end of period	<u>7,680,024</u>

8. UNITHOLDERS' CAPITAL

At beginning of period/date of inception

At beginning of period	30.6.2007
	RM
<hr/>	
Issue of new Units:	
- 160,500,000 Units @ RM1.00	160,500,000
- 16,000,000 Units @ RM1.05	16,800,000
- 143,500,000 Units @ RM1.11	159,285,000
	<hr/>
	336,585,000
	<hr/>

At end of period

As at 17 August 2007, the Manager did not hold any Units in Hektar REIT. However, the Directors of the Manager and related parties held Units in Hektar REIT as follows:

The Manager's Directors' Direct Unitholdings in Hektar REIT:

	17.08.2007	Market Value*
Dato' Jaafar Bin Abdul Hamid	1,894,700	2,974,679
Zalila Mohd Toon	350,000	549,500

* Market price as at 17 August 2007 was RM1.57.

The Substantial Unitholders' Direct Unitholdings in Hektar REIT as at 17 August 2007:

	No. of Units	% of Total Issued Units
1. Hektar Premier Sdn Bhd	87,800,000	27.44
2. Amsec Nominees (Asing) Sdn Bhd <i>HSBC Institutional Trust Services (Singapore) for Frasers Centrepoint Trust</i>	86,400,000	27.00
3. Hektar Black Sdn Bhd	40,700,000	12.72
4. HSBC Nominees (Asing) Sdn Bhd <i>HSBC-FS for Arisaig Asean Fund Ltd</i>	18,425,000	5.76

The Manager's related parties' Direct Unitholdings in Hektar REIT as at 17 August 2007:

	No. of Units	% of Total Issued Units
Hektar Premier Sdn Bhd	87,800,000	27.44
Hektar Black Sdn Bhd	40,700,000	12.72

The market value of the Units was determined by multiplying the number of Units with the market price of RM1.57 as at 17 August 2007.

9. GROSS RENTAL INCOME

1.12.2006 TO 30.6.2007
RM

Rental income	37,925,297
Car park income	3,720,747
Other income	71,598
	<u>41,717,642</u>

10. PROPERTY EXPENSES

1.12.2006 TO 30.6.2007
RM

Assessment & Quit Rent	1,624,848
Marketing & Promotion	1,493,030
Property management fees	875,509
Property maintenance	6,456,828
Utilities	4,688,924
Others	256,310
	<u>15,395,450</u>

11. EARNINGS PER UNIT

The calculation of earnings per Unit is based on the net income for the seven-month period of RM19,727,255 to the number of units in circulation during the period of 320,001,000.

12. DISTRIBUTION TO UNITHOLDERS1.12.2006 TO 30.6.2007
RM

Gross rental income	41,646,044
Interest and other income	71,868
Less: Expenses	21,990,657
	<u>19,727,255</u>
Provision for distribution to Unitholders - 78%	15,360,048
Gross provision for distribution per unit (sen)	4.80
Net provision for distribution per unit (sen)	4.80

13. LISTING EXPENSES1.12.2006 TO 30.6.2007
RM

Underwriting, brokerage and bookbuilding	3,274,583
Professional fees	2,556,102
Prospectus/Public relations/Investor roadshow	1,140,448
Loan processing fee	920,000
Regulators/Authorities	394,650
Valuation	110,000
	<u>8,395,783</u>

14. PORTFOLIO TURNOVER RATIO

1.12.2006 TO 30.6.2007

Portfolio Turnover Ratio ("PTR") (times)	0
--	---

The calculation of Portfolio Turnover Ratio ("PTR") is based on the average of total investments in equities for the seven-month period to the average net asset value during the period calculated on a weekly basis.

15. MANAGEMENT EXPENSE RATIO

1.12.2006 TO 30.6.2007

Management expense ratio ("MER") (%)	0.65
--------------------------------------	------

The calculation of the MER is based on the total fees of Hektar REIT incurred, including Manager's fees, Trustee's fees, audit fees, tax agent's fees and administrative expenses and provision for doubtful debts, to the average net asset value during the period. Since the net asset value is calculated on a weekly basis, comparison of the MER of Hektar REIT with other real estate investment trusts which uses different basis of calculation may not be an accurate comparison.

16. SIGNIFICANT RELATED PARTY TRANSACTIONS ("RPT")

There is no RPT for the 7-month period ended 30 June 2007.

17. FINANCIAL INSTRUMENTS

Financial risks management objectives and policies

Exposure to credit, interest rate and liquidity risk arises in the normal course of Hektar REIT's business.

Credit risk

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of financial asset.

Interest rate risk

Hektar REIT's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Manager on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates.

Liquidity risk

The Manager monitors and maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to finance the Trust's operations and to mitigate the effects of fluctuations in cash flows. In addition, the Manager also monitors and observes the Securities Commission's Guidelines on Real Estate Investment Trusts concerning limits on total borrowings.

TOP 30 UNITHOLDERS AS AT 17 AUGUST 2007

As per Record of Depositors

NO.	NAME OF UNIT HOLDERS	NO. OF UNITS	%
1	AMSEC NOMINEES (ASING) SDN BHD <i>HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED FOR FRASERS CENTREPOINT TRUST (AS TRUSTEE)</i>	86,400,000	27.00
2	HEKTAR PREMIER SDN BHD	47,800,000	14.94
3	HEKTAR BLACK SDN BHD	40,700,000	12.72
4	MAYBAN NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEKTAR PREMIER SDN. BHD. (564726100452)</i>	40,000,000	12.50
5	HSBC NOMINEES (ASING) SDN BHD <i>HSBC-FS FOR ARISAIG ASEAN FUND LIMITED</i>	18,425,000	5.76
6	HSBC NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HBFS-I CLT ACCT)</i>	13,819,300	4.32
7	DILIGENT HARMONY SDN BHD	13,000,000	4.06
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>ING INSURANCE BERHAD (INV-IL PAR)</i>	7,000,000	2.19
9	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD <i>PUBLIC ENHANCED BOND FUND</i>	5,089,300	1.59
10	CITIGROUP NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR MELLON BANK (ABNAMRO MELLON)</i>	4,937,000	1.54
11	CITIGROUP NOMINEES (ASING) SDN BHD <i>GOLDMAN SACHS INTERNATIONAL</i>	3,925,000	1.23
12	FIRSTWIDE TRADE SDN BHD	3,000,000	0.94
13	CITIGROUP NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR AMERICAN INTERNATIONAL ASSURANCE COMPANY LIMITED</i>	2,550,000	0.80
14	HSBC NOMINEES (ASING) SDN BHD <i>BBH (LUX) SCA FOR FIDELITY FUNDS MALAYSIA</i>	2,412,900	0.75
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>ING INSURANCE BERHAD (INV-IL NON-PAR)</i>	2,000,000	0.62
16	MAYBAN NOMINEES (TEMPATAN) SDN BHD <i>DATO' JAAFAR ABDUL HAMID</i>	1,894,700	0.59
17	AMMB NOMINEES (TEMPATAN) SDN BHD <i>AMTRUSTEE BERHAD FOR PACIFIC DIVIDEND FUND (5/27-2)</i>	1,806,300	0.56

NO.	NAME OF UNIT HOLDERS	NO. OF UNITS	%
18	MAYBAN NOMINEES (TEMPATAN) SDN BHD <i>MAYBAN LIFE ASSURANCE BERHAD (PAR FUND)</i>	1,533,500	0.48
19	MAYBAN NOMINEES (TEMPATAN) SDN BHD <i>MAYBAN LIFE ASSURANCE BERHAD (NON-PAR FUND)</i>	1,533,000	0.48
20	BHLB TRUSTEE BERHAD <i>TA SMALL CAP FUND</i>	1,525,700	0.48
21	HSBC NOMINEES (TEMPATAN) SDN BHD <i>HSBC (M) TRUSTEE BHD FOR PRUDENTIAL EQUITY INCOME FUND (4801)</i>	1,458,000	0.46
22	MAYBAN NOMINEES (TEMPATAN) SDN BHD <i>MALAYSIA NATIONAL INSURANCE BERHAD (LIFE PAR FUND)</i>	1,335,000	0.42
23	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD <i>ALLIANCE OPTIMAL INCOME FUND</i>	1,286,000	0.40
24	CITIGROUP NOMINEES (ASING) SDN BHD <i>UBS AG</i>	1,115,800	0.35
25	AMMB NOMINEES (TEMPATAN) SDN BHD <i>AMASSURANCE BERHAD (LFP 7/929-6)</i>	979,300	0.31
26	AMINVESTMENT BANK BERHAD <i>EXEMPT AN CLR FOR PUBLIC MUTUAL BERHAD</i>	882,000	0.28
27	AMMB NOMINEES (TEMPATAN) SDN BHD <i>AMASSURANCE BERHAD (LF 1/148-1)</i>	856,000	0.27
28	AMMB NOMINEES (TEMPATAN) SDN BHD <i>AMASSURANCE BERHAD (GF 1/149-0)</i>	712,000	0.22
29	HSBC NOMINEES (ASING) SDN BHD <i>BNY LUX FOR INTERNATIONAL OPPORTUNITIES FUND - MALAYSIA EQUITY</i>	711,000	0.22
30	HSBC NOMINEES (TEMPATAN) SDN BHD <i>HSBC (M) TRUSTEE BHD FOR TA GLOBAL ASSET ALLOCATOR FUND (5436-401)</i>	610,000	0.19
		309,296,800	96.65

Glossary

Hektar Klasik	:	Hektar Klasik Sdn Bhd (Company No. 557687-X), being the holding company of the Manager
Hektar REIT / the Trust	:	Hektar Real Estate Investment Trust
Bursa Securities / the Exchange	:	Bursa Malaysia Securities Berhad (Company No. 635998-W)
Deed	:	The Deed dated 5 October 2006 constituting Hektar REIT executed between the Trustee and the Manager
DPU	:	Distribution per Unit
GAV	:	Gross Asset Value
Gross Revenue	:	Gross rental income and other income earned from the properties including license fees, car park income, utilities and miscellaneous income
MER	:	Management expense ratio
Manager	:	Hektar Asset Management Sdn Bhd (Company No. 732261-T), being the management company of Hektar REIT
NAV	:	Net asset value
NTA	:	Net tangible assets
NLA / Net Lettable Area	:	Consists of the total gross floor area less the common areas, such as corridors, amenities area and management offices of the building
OMV	:	Open market value
PTR	:	Portfolio Turnover Ratio
Property Manager	:	Izrin & Tan Property Management Sdn Bhd (Company No. 602338-K)
REIT(s)	:	Real estate investment trust(s)

RM and sen	:	Ringgit Malaysia and sen, respectively
Revaluation Reserve	:	The difference between the valuation of a property, as determined by a registered valuer, and the actual purchase value paid by the REIT.
SC	:	Securities Commission
SCA	:	Securities Commission Act, 1993
SC Guidelines on REITs	:	Guidelines on Real Estate Investment Trusts issued by the SC on 3 January 2005
Sq. ft.	:	Square feet
Sqm	:	Square metres
Share Registrar	:	Mega Corporate Sdn Bhd (Company No. 187984-H)
Trustee	:	AmTrustee Berhad (Company No. 163032-V) being the Trustee of Hektar REIT
Unit(s)	:	Undivided interest(s) in Hektar REIT as constituted by the Deed
Unitholder(s)	:	Holder(s) of the Units

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