

**HEKTAR REAL ESTATE INVESTMENT TRUST
CONDENSED BALANCE SHEET (UNAUDITED)
AS AT 31 MARCH 2007**

	As at End of Current Quarter 31.3.2007 *
	RM
<u>NON-CURRENT ASSETS</u>	
Investment Properties	514,922,362
<u>CURRENT ASSETS</u>	
Trade receivables	439,029
Other receivables	4,452,545
Cash and bank balances	21,867,381
	26,758,955
TOTAL ASSETS	541,681,317
<u>CURRENT LIABILITIES</u>	
Trade payables	1,151,283
Other payables	546,392
Tenancy deposits	16,551,709
Provision for income distribution	7,680,024
	25,929,408
TOTAL CURRENT LIABILITIES	25,929,408
	515,751,909
<u>FINANCED BY:</u>	
Unitholders' fund	336,586,000
Less: Establishment and issue expenses	(8,395,782)
Undistributable income	3,561,691
	331,751,909
<u>NON-CURRENT LIABILITY</u>	
Bank borrowings	184,000,000
	515,751,909
NET ASSET VALUE PER UNIT	1.037
NUMBER OF UNITS IN CIRCULATION	320,001,000

The comparative financial information for corresponding period is not available as the trust commenced operations on 1 December 2006.

* The Current Quarter comprises a 4-month result Dec 06 - Mar 07

**HEKTAR REAL ESTATE INVESTMENT TRUST
CONDENSED INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 31 MARCH 2007**

	As at end of Current Quarter 31.3.07 *
	RM
Revenue	23,583,684
Property operating expenses	<u>(8,720,866)</u>
Net property income	14,862,818
Interest Income	49,159
Other Income	7,544
Trust expense	(1,147,009)
Borrowing cost	<u>(2,530,797)</u>
Income before taxation	11,241,715
Taxation	<u>-</u>
Net income for the period	11,241,715
Provision for income distribution	<u>(7,680,024)</u>
	<u>3,561,691</u>
Earnings per unit (sen) :	3.51

The comparative financial information for corresponding period is not available as the trust commenced operations on 1 December 2006.

*** The Current Quarter comprises a 4-month result Dec 06 - Mar 07**

HEKTAR REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE (UNAUDITED)
FOR THE QUARTER ENDED 31 MARCH 2007

	Unitholders' capital RM	<u>Undistributed</u> Undistributed income		Unitholders' fund RM
		Unrealised RM	Realised RM	
<u>At 5 October 2006</u>	1,000	-	-	1,000
<u>Operation for the quarter ended</u> <u>31 March 2007</u>				
Net Income for the period	-	-	11,241,715	11,241,715
	<u>1,000</u>	<u>-</u>	<u>11,241,715</u>	<u>11,242,715</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	-	-	(7,680,024)	(7,680,024)
	<u>328,189,218</u>	<u>-</u>	<u>(7,680,024)</u>	<u>320,509,194</u>
At 31 March 2007	<u>328,190,218</u>	<u>-</u>	<u>3,561,691</u>	<u>331,751,909</u>

The comparative financial information for corresponding period is not available as the trust commenced operations on 1 December 2006.

**HEKTAR REAL ESTATE INVESTMENT TRUST
CONDENSED CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 31 MARCH 2007**

	As at end of Current Quarter 31.3.07 RM
CASH FLOW FROM OPERATING ACTIVITY	
Profit before taxation	3,561,691
Adjustments for:	
Interest income	(49,159)
Interest expense	2,530,797
Provision for doubtful debts	40,000
Operating profit before changes in working capital	
Decrease/(Increase) in receivables	(4,891,575)
(Decrease)/Increase in payables	25,889,409
Net cash generated/(used) from operating activities	<u>27,081,163</u>
CASH FLOW FROM INVESTING ACTIVITY	
Acquisition of properties	(354,421,362)
Interest income	49,159
Net Cash generated/(used) from investing activities	<u>(354,372,203)</u>
CASH FLOW FROM FINANCING ACTIVITY	
Unitholders' capital	176,085,000
Interest paid	(2,530,797)
Listing expenses	(8,395,782)
Borrowings	184,000,000
Distribution to Unitholders	-
Net cash used in financing activities	<u>349,158,421</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	21,867,381
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	-
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>21,867,381</u>

The comparative financial information for corresponding period is not available as the trust commenced operations on 1 December 2006.

HEKTAR REAL ESTATE INVESTMENT TRUST
NOTES TO THE QUARTERLY REPORT - 31 MARCH 2007

A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS ("FRS") 134

A1 *Basis of preparation*

The quarterly financial report is unaudited and has been prepared in compliance with FRS 134: Interim Financial Reporting and chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation used in the preparation of the quarterly financial reports are consistent with those adopted in the preparation of the proforma financial information presented in the prospectus of Hektar Real Estate Investment Trust ("HEKTAR REIT") dated 15 November 2006.

A2 *Audit Report of Preceding Financial Year*

There was no annual year report of preceding final year ended 31 December 2006 as Hektar REIT was established on 5 October 2006 and commenced operations on 1 December 2006.

A3 *Seasonality or cyclicity of operations*

The business of the Trust is not affected by material, seasonal or cyclical factors.

A4 *Unusual items*

There were no unusual items to be disclosed for the quarter under review.

A5 *Change in Estimates*

There were no unusual items to be disclosed for the quarter under review.

A6 *Debt and Equity Securities*

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and period-to-date.

A7 *Income distribution*

Based on the quarterly result ending 31 March 2007, there will be an Interim Distribution of 2.4 sen per unit, amounting to RM7,680,024 to be made on 17 May 2007.

A8 *Segment information*

Not applicable.

A9 *Valuation of Investment Properties.*

To date, no revaluation has taken place.

A10 *Material Subsequent Events to the End of the Interim Period*

There are no material events subsequent to the end of the interim period.

A11 *Changes in the Composition of the Trust*

There were no changes to the composition of the Trust during the current quarter and the fund size stands at 320,001,000 units.

A12 *Contingent Liabilities and Contingent Assets*

There were no contingent liabilities or contingent assets to be disclosed.

B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.22 OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SDN BHD.

B1 *Review of performance*

The Trust recorded RM23.58 million and RM11.24 million in revenue and income before tax respectively for the quarter ended 31 March 2007.

No reliable comparison can be made against corresponding quarter last year as Hektar REIT commenced its operation on 1 December 2006.

B2 *Variation of results against preceding quarter*

There was no comparison with the immediate preceding quarter as this is the first interim financial report by the Trust.

B3 *Prospects*

The Trust is expected to achieve satisfactory performance for the financial period ending 31 December 2007. The Manager formulated a three-pronged strategy to achieve its objectives, i.e., via :

- a) Yield-accretive acquisition
- b) Active leasing
- c) Asset enhancement

The Manager is currently undertaking due-diligence exercises on several shopping centres for the purpose of acquisition. In connection with this, the Manager will make the relevant announcements in due course.

B4 *Variance of profit forecast or profit guarantee*

This is not applicable as there was no profit forecast or profit guarantee issued for this financial quarter.

B5 *Tax expense*

Pursuant to the new tax system for Real Estate Investment Trust ("REIT"), a REIT will be fully exempted from income tax provided at least 90% of its income is distributed to unitholders with effect from the year of assessment 2007.

Barring unforeseen circumstances, there was no tax payable as the Trust intends to distribute at least 90% of the distributable income to unitholders for the 13-month ended 31 December 2007.

B6 *Unquoted investments and/or properties*

There were no purchase or sale of unquoted investments or properties during the quarter.

B7 *Quoted investments*

There were no purchase or disposal of quoted investments during the quarter.

B8 *Corporate Developments*

On 10 April 2007, AmTrustee Berhad acting for and on behalf of Hektar REIT had entered into a Sale & Purchase Agreement to acquire Lot F28A, a retail space at Subang Parade, for RM510,000. Lot F28A represents one of the individual lots which was previously sold prior to the acquisition of Subang Parade by Hektar REIT.

B9 *Borrowings and Debt Securities*

The borrowings of RM184,000,000.00 is long term and secured.

B10 *Off balance sheet financial instruments*

No off balance sheet financial instruments were utilised for the current quarter.

B11 *Material litigation*

There was no material litigation as at the end of the current quarter.

B12 Income distribution

The Board of Hektar Asset Management Sdn Bhd has declared an interim income distribution of 2.4 sen of the income after taxation (realised) for the quarter ended 31 March 2007, to be paid on 17 May 2007 to the unitholders registered in the Record of Depositors on 9 May 2007. The interim distribution is based on the projected annual Distribution per unit of 9.63 sen as contained in the Prospectus dated 15 November 06.

Withholding tax will be deducted for distribution made to the following types of unitholders :

- Resident individual (withholding tax at 15%)
- Non Resident individual (withholding tax at 15%)
- Resident institutional investors (withholding tax at 20%)
- Non-resident institutional investors (withholding tax at 20%)
- Resident companies (No withholding tax. Subject to corporate tax at prevailing rate of 27%)
- Non-resident companies (withholding tax at 27% for Year of Assessment 2007)

B13 Distribution per unit and Earnings per unit

	As at end of Current Quarter 31.3.07
Income after taxation	
- realised and distributable for the period	11,241,715
Provision for income distribution	<u>7,680,024</u>
Number of units in issue	<u>320,001,000</u>
Basic earning per share (sen)	<u>3.51</u>
Distribution per unit (sen)	<u>2.40</u>

By Order of the Board
HEKTAR ASSET MANAGEMENT SDN BHD
(as the Manager of Hektar Real Estate Investment Trust)

Muhammad Hafidz Nuruddin (MAICSA 7005820)
Lim Seck Wah (MAICSA 0799845)
Company Secretaries

Kuala Lumpur
19 April 2007