

HEKTAR REAL ESTATE INVESTMENT TRUST QUARTERLY REPORT

CONDENSED BALANCE SHEET FOR THE QUARTER ENDED 31 MARCH 2009

	As at 31.3.2009 RM (Unaudited)	As at 31.12.2008 RM (Audited)
<u>NON-CURRENT ASSETS</u>		
Investment Properties	716,950,908	713,400,000
<u>CURRENT ASSETS</u>		
Trade receivables	564,292	471,741
Other receivables, deposits, prepayments	5,938,307	5,909,684
Capital work in progress	445,389	106,234
Cash and bank balances	12,831,497	18,220,797
	19,779,485	24,708,456
TOTAL ASSETS	736,730,393	738,108,456
<u>LIABILITIES</u>		
Trade payables	505,053	188,183
Other payables and accruals	2,553,683	4,463,463
Tenancy deposits	20,452,237	20,255,544
Provision for income distribution	8,171,835	9,600,030
Borrowings	301,500,000	301,500,000
TOTAL LIABILITIES	333,182,808	336,007,220
NET ASSET VALUE	403,547,585	402,101,236
<u>FINANCED BY:</u>		
Unitholders' capital	328,136,711	328,136,711
Undistributed income - realised	7,454,612	6,008,263
- unrealised	67,956,262	67,956,262
TOTAL UNITHOLDERS' FUND	403,547,585	402,101,236
NET ASSET VALUE PER UNIT (RM)	1.2611	1.2566
NUMBER OF UNITS IN CIRCULATION	320,001,000	320,001,000

The Condensed Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached.

HEKTAR REAL ESTATE INVESTMENT TRUST QUARTERLY REPORT

CONDENSED INCOME STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2009 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2009 RM	Preceding Year Corresponding Quarter 31.3.2008 RM	Current YTD 31.3.2009 RM	Preceding YTD 31.3.2008 RM
Revenue	21,768,259	18,780,986	21,768,259	18,780,986
Property operating expenses	(8,279,792)	(6,763,243)	(8,279,792)	(6,763,243)
Net property income	13,488,467	12,017,743	13,488,467	12,017,743
Interest Income	28,543	32,804	28,543	32,804
Other Income	980	575	980	575
Trust expenses	(1,191,623)	(1,392,693)	(1,191,623)	(1,392,693)
Borrowing costs	(3,199,995)	(1,928,725)	(3,199,995)	(1,928,725)
Fair value adjustment of investment properties	-	-	-	-
Income before taxation	9,126,372	8,729,704	9,126,372	8,729,704
Taxation	-	-	-	-
Net income for the period	9,126,372	8,729,704	9,126,372	8,729,704
Provision for income distribution	(7,680,024)	(7,680,024)	(7,680,024)	(7,680,024)
	<u>1,446,348</u>	<u>1,049,680</u>	<u>1,446,348</u>	<u>1,049,680</u>
Earnings per unit (sen)	2.85	2.73	2.85	2.73
Realised Earnings per unit (sen)				

The Condensed Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached.

HEKTAR REAL ESTATE INVESTMENT TRUST QUARTERLY REPORT

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE CUMULATIVE QUARTER ENDED 31 MARCH 2009 (UNAUDITED)

	Unitholders' Capital RM	<u>Undistributed income</u> Realised Unrealised RM RM		Unitholders' Fund RM
<u>Balance at 1 January 2009</u>	328,136,711	6,008,263	67,956,262	402,101,236
<u>Operation for the cumulative quarter ended 31 March 2009</u>				
Net Income for the period	-	9,126,372	-	9,126,372
Fair value adjustment of investment properties	-	-	-	-
	<u>328,136,711</u>	<u>15,134,635</u>	<u>67,956,262</u>	<u>411,227,608</u>
<u>Unitholders' transaction</u>				
Distribution to unitholders	-	(7,680,024)	-	(7,680,024)
Balance at 31 March 2009	<u>328,136,711</u>	<u>7,454,611</u>	<u>67,956,262</u>	<u>403,547,585</u>

CUMULATIVE QUARTER ENDED 31 DECEMBER 2008 (AUDITED)

	Unitholders' Capital RM	<u>Undistributed income</u> Realised Unrealised RM RM		Unitholders' Fund RM
<u>Balance at 1 January 2008</u>	328,136,711	2,410,276	43,841,617	374,388,604
<u>Operation for the cumulative quarter ended 31 March 2008</u>				
Net Income for the period	-	36,238,089	24,114,645	60,352,734
Fair value adjustment of investment properties	-	-	-	-
	<u>328,136,711</u>	<u>38,648,365</u>	<u>67,956,262</u>	<u>434,741,338</u>
<u>Unitholders' transaction</u>				
Creation of units	-	-	-	-
Listing expenses	-	-	-	-
Distribution to unitholders	-	(32,640,102)	-	(32,640,102)
	<u>-</u>	<u>(32,640,102)</u>	<u>-</u>	<u>(32,640,102)</u>
Balance at 31 December 2007	<u>328,136,711</u>	<u>6,008,263</u>	<u>67,956,262</u>	<u>402,101,236</u>

The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes.

HEKTAR REAL ESTATE INVESTMENT TRUST QUARTERLY REPORT

**CONDENSED CASH FLOW STATEMENT (UNAUDITED)
FOR THE CUMULATIVE QUARTER ENDED 31 MARCH 2009**

	Current YTD 31.3.2009 RM	Preceding YTD 31.3.2008 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Income before taxation	9,126,372	8,729,704
Adjustments for :-		
Interest income	(28,543)	(32,804)
Interest expenses	3,199,995	1,886,034
Provision for doubtful debts	37,500	15,000
Fair value adjustments	-	-
	<u>12,335,323</u>	<u>10,597,934</u>
Operating income before changes in working capital :-		
Receivables	(281,822)	(11,270,406)
Payables	(1,273,068)	683,760
Net cash generated from operating activities	<u>10,780,433</u>	<u>11,288</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of properties	(3,550,908)	(5,100)
Refurbishment of investment properties	(339,155)	(630,836)
Interest income	28,543	32,804
Placement of fixed deposits	-	-
Net cash used for investing activities	<u>(3,861,519)</u>	<u>(603,132)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Unitholders' capital	-	-
Interest expenses	(3,199,995)	(1,886,034)
Listing expenses	-	-
Borrowings	-	11,750,000
Distribution to Unitholders	(9,108,219)	(11,232,035)
Net cash generated from / (used for) financing activities	<u>(12,308,214)</u>	<u>(1,368,069)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(5,389,300)	(1,959,913)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	18,220,797	18,096,940
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>12,831,497</u>	<u>16,137,027</u>

The Condensed Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached.

A. EXPLANATORY NOTES FOR THE QUARTER ENDED 31 MARCH 2009 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 ("Bursa Malaysia").

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

The auditors have expressed an unqualified opinion on Hektar REIT's financial statements for the year ended 31 December 2008 in their report dated 12 February 2009.

A3 SEASONALITY OR CYCLICALITY OF OPERATIONS

The business of Hektar REIT is not affected by material, seasonal or cyclical factors.

A4 UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter.

A5 CHANGES IN ESTIMATES

There were no changes in estimates that have had material effect in the current quarter.

A6 DEBT AND EQUITY SECURITIES

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

A7 INCOME DISTRIBUTION

Based on the quarterly result ended 31 March 2009, there will be a First Interim Distribution of 2.4 sen per unit, amounting to RM7,680,024 to be made on 16 June 2009.

A8 SEGMENT INFORMATION

Not applicable.

A9 VALUATION OF INVESTMENT PROPERTIES

The valuations of the Investment Properties have been brought forward, without amendment from the previous annual report.

A10 MATERIAL SUBSEQUENT EVENTS TO THE END OF THE INTERIM PERIOD

There were 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 Hektar REIT 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 SECURITIES BHD.

B1 REVIEW OF PERFORMANCE

For the cumulative quarter ended 31 March 2009, Hektar REIT generated a total revenue of RM21,797,782 comprising rental income of RM21,768,259, interest income of RM28,543 and other income of RM980.

Actual revenue of RM21,797,782 exceeded the forecast as published in Hektar REIT's Prospectus dated 15 November 2006, by 24.2%. This is due to (i) the rental rates for Subang Parade and Mahkota Parade which were higher than forecasted; and (ii) the inclusion of Wetex Parade's rentals.

B2 VARIATION OF RESULTS AGAINST PRECEDING QUARTER

	Current Quarter Ended 31.3.2009	Preceding Quarter Ended 31.3.2008
Income before tax	9,126,372	8,729,704
- Realised income before tax		

The individual first quarter's net income of RM9,126,372 is higher than the preceding year's corresponding individual quarter of RM8,729,704 by 4.5%. This is due to higher overall rental rates in Subang Parade and the inclusion of Wetex Parade's performance.

B3 PROSPECTS

Despite the current quarter's better performance vis-à-vis its forecast and previous corresponding period, Hektar Asset Management Sdn Bhd ("Hektar AM") remains cautious for the remainder of 2009. Hektar AM will continue its strategy to optimise the property portfolio and improve the capital value of Hektar REIT over time including the timely refurbishment of Mahkota Parade.

B4 VARIANCE OF PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as there was no profit forecast or profit guarantee issued.

B5 TAX EXPENSE

Pursuant to the introduction of the new tax regime 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 will be no tax payable as Hektar REIT intends to distribute at least 90% of the distributable income to unitholders for the year ending 31 December 2009.

B6 SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

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

B7 QUOTED INVESTMENTS

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

B8 CORPORATE DEVELOPMENTS

Public Spread

As at 31 March 2009, the public spread for Hektar REIT was 22.64% in the hands of 833 public unit holders holding not less than 100 units each. Under clause 8.15 of Bursa Malaysia's Listing Requirements, a public-listed entity is required to have at least 25% of its total listed units in the hands of a minimum of 1,000 public unit holders holding not less than 100 units each.

In relation to this, on 4 December 2008, Hektar Asset Management Sdn Bhd ("Hektar AM") has announced that Bursa Malaysia, in its letter dated 2 December 2008 has granted Hektar REIT an extension of time of 6 months until 31 May 2009 for Hektar REIT to comply with this requirement.

Hektar AM is continuing to exercise its best endeavors to rectify the public spread number by continuing its active promotion of Hektar REIT to the public via its various activities – investment roadshows, conferences, presentations to analysts and investors, participation in the Investor Relations Incentive Programme ("IRIP") and the Capital Market Development Fund ("CMDF") Bursa Research Scheme ("CBRS") and press-related activities. Consequently, two research houses have initiated new coverage of Hektar REIT in 2009, which has resulted in improved publicity and awareness in the investment community and media.

Acquisition of Sold Lot

There were no new acquisitions of sold lots by Hektar REIT in the first quarter of 2009. The earlier acquisitions of Lots LG03, LG04, LG05 & LG06 at Subang Parade which were announced in the last quarter report were completed on 26 February 2009.

B9 BORROWINGS AND DEBT SECURITIES

Hektar REIT's total borrowings of RM301,500,000 are long term and secured.

B10 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at date of reporting.

B11 MATERIAL LITIGATION

There was no material litigation as at date of reporting.

HEKTAR REAL ESTATE INVESTMENT TRUST QUARTERLY REPORT

B12 INCOME DISTRIBUTION

The Board of Directors of Hektar AM has recommended and the Trustee has approved a first interim income distribution of 2.40 sen per unit amounting to RM7,680,024 for the first quarter ended 31 March 2009.

Resident individual	Withholding tax at 10%
Non-resident individual	Withholding tax at 10%
Resident institutional investors	Withholding tax at 10%
Non-resident institutional investors	Withholding tax at 10%
Resident companies	No withholding tax. Subject to corporate tax at 25% for year of assessment 2009
Non-resident companies	Withholding tax at 25% for year of assessment 2009

B13 DISTRIBUTION PER UNIT AND EARNINGS PER UNIT

	Current Quarter Ended 31.3.2009	Preceding Quarter Ended 31.3.2008
Income before tax	9,126,372	8,729,704
Provision for income distribution	<u>7,680,024</u>	<u>7,680,024</u>
Number of units in issue	<u>320,001,000</u>	<u>320,001,000</u>
Basic earning per share (sen)	<u>2.85</u>	<u>2.73</u>
- realised basic earning per share		
Distribution per unit (sen)	<u>2.40</u>	<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)

Joint Company Secretaries

Kuala Lumpur
18 May 2009