

1H 2007



REITS AROUND ASIA

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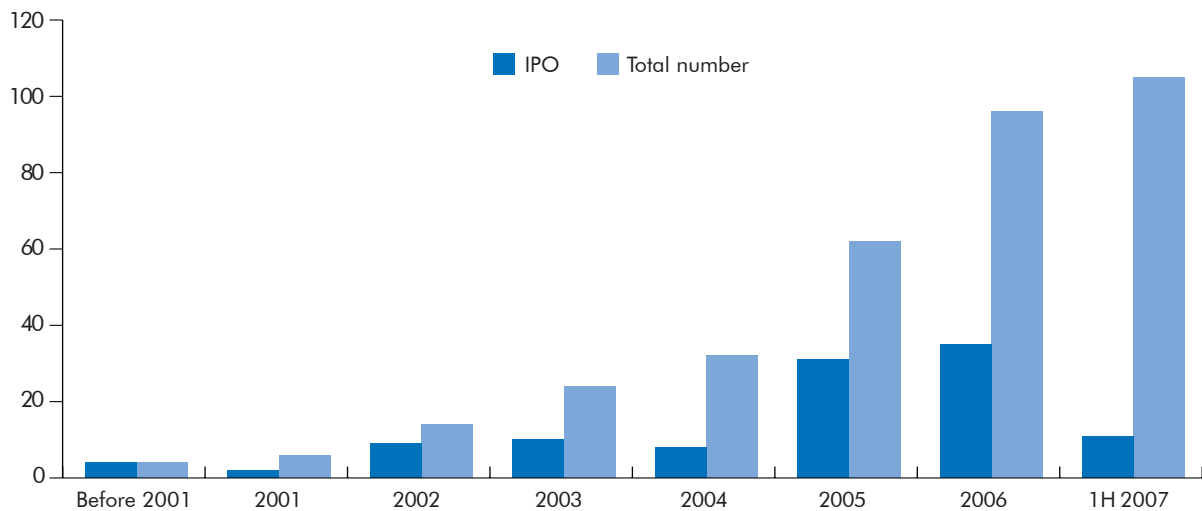
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ASIAN LISTED REITS / PROPERTY FUNDS AS AT END JUNE-07

Market	Stock Market Index	Stock Index Change from End Dec 2006	No. of Listed REITs	Avg. Dividend Yield	10-Yr Gov't Bond Yield	REIT Market Cap (US\$ million)
Japan	18,138.36	5.30%	41	3.7%	1.87%	49,148
Singapore	3,548.20	18.83%	16	4.3%	2.96%	19,234
Hong Kong	21,772.73	9.06%	7	7.2%	4.78%	8,654
South Korea	1,751.75	22.92%	6	6.8%	5.48%	604
Taiwan	8,883.21	13.54%	8	3.5%	2.12%	1,919
Thailand	776.79	14.26%	14	7.4%	4.51%	1,317
Malaysia	1,354.38	23.55%	13	5.7%	3.80%	1,451

Source: CBRE Research, company announcements/ prospectus

NUMBER OF LISTED REITS / PROPERTY FUNDS IN ASIA



Source: CBRE Research

MAJOR ACQUISITIONS BY ASIAN REITS (1H 2007)

Country	City	Sector	Property	US\$ (mn) equivalent	Buyer
Japan	Tokyo	Office	Shinjuku Mines Tower (42.3% sectional ownership)	527	DA Office Investment
Japan	Tokyo	Office	Mitsubishi UFJ Trust & Banking HQ Building (22.6%)	379	Japan Real Estate REIT
Japan	Tokyo	Office	Nakano Sakaue Sunbright Twin (Sectional ownership) & Annex	268	Nippon Building Fund
Japan	Various ^	Industrial	Five logistics properties*	235	Mapletree Logistics Trust
Japan	Tokyo	Residential	12 properties in Central Five Wards*	226	Nippon Residential Investment Corporation
Japan	Tokyo	Residential	Five Central Five Wards properties*	174	LCP Investment Corporation
Japan	Tokyo	Residential	26 properties*	164	re-plus residential investment inc
Japan	Osaka	Retail	Ario Otori	155	Japan Retail Fund
Japan	Tokyo	Retail	Shinbashi MTR Building	146	Mori Trust Sogo REIT
Japan	Tokyo	Retail	Jewellery Tower TASAKI Ginza	144	Nippon Building Fund

^ Greater Tokyo and Kyoto *Transferred from sponsor companies

A total of 11 new REITs were listed during the first half, bringing REIT market capitalisation to over US\$80 billion as at end-June 2007, approximately twice of that at the end of 2005.

Japan remains the largest REIT market in Asia, with market capitalisation having attained the level of US\$49.1 billion as of the first half of 2007, and acquisition activities by J-REITs remaining at buoyant levels. While Singapore and Hong Kong are striving to be regional REIT centres, the Thailand and Malaysia REIT markets saw significant growth through the listing of domestic REITs. South Korea was the only market to record a reduction in market capitalisation as two K-REITs reached maturity during the review period.

Though only one new REIT was listed in Japan during the first half, large foreign investors such as CapitaLand, GE Real Estate and Morgan Stanley remained active in the market, purchasing stakes in J-REITs and in some cases becoming the largest shareholders. In Singapore, three new REITs, including CapitaRetail China Trust, have been listed since December 2006. The number of S-REITs has increased steadily, rising from seven in 2005 to 16 in the first half of 2007. The market continued to diversify, with various S-REITs now focused on assets including serviced apartments, healthcare facilities and hotels. Singapore's emergence as a regional hub for cross-border REITs, supported by the imminent relaxation of government regulations on REITs, could see the number of S-REITs reach 30 in 2008. In Hong Kong, H-REIT's stable income growth made them less attractive to investors during the bull market of the first half year. Despite the underperformance in price, H-REITs listed longer than a year have reported better income statements as a result of gains in property revaluation and growth in rental income.

In Taiwan, investors continued to show a marked preference for T-REITs backed by well-known local financial/insurance groups such as Fubon and Cathay. One new REIT was listed during the period under review, and several well-known conglomerates are reportedly considering packaging their properties into REITs. In Thailand, the downward interest rate trend is likely to increase the attractiveness of REITs. Most REITs are trading at a discount of 2%-34% to their respective NAVs. Major Lifestyle Property Fund and Property Perfect

are expected to list in the second half. Four new M-REITs were listed in Malaysia and existing and new M-REITs were active in the acquisition market. Quill Capita Trust, Al-Hadharah Boustead REIT and Amanahraya REIT traded above their IPO price on their debuts. In South Korea, the government passed the latest amendments to the K-REITs Act in June 2007 and the measures will take effect in October. The revisions will further simplify and ease regulations governing the establishment and management of K-REITs.

Following the rosy picture in the first half, the US sub-prime lending crisis sent tremors through global financial markets and led to stock market volatility across the globe during July and August 2007. However, as the generally robust fundamentals of Asian property markets have been as yet unaffected by turbulence in the financial markets, the recent price corrections have made Asian REIT valuations more attractive to bargain-hunting investors and those seeking long-term periodic income. Also, there has been no sign of a slow down in portfolio building via acquisitions by major REIT sponsors, who are taking a long-term view in developing REITs in the region.

Looking forward, competition in the Asian REIT market is likely to grow more intense as additional cross-border REITs are listed, particularly in Hong Kong and Singapore. In Singapore, proposed amendments to S-REIT regulations currently under consideration include improving disclosure on short-term yield enhancing arrangements and their impact, allowing REITs to pay dividends in excess of current income, removing the aggregation rule for transactions with the same interested party and prohibiting discounts to institutional investors during IPOs. Facing competition from Singapore as the regional REIT centre, the Hong Kong Securities and Futures Commission recently collected market opinions on revitalising the REIT market, which may be taken into account in regulatory revision. While further loosening in rules may provide some stimulation to the market, the implementation of a longer-term growth strategy remains the crucial concern of REIT investors as they expect sustained portfolio development via acquisitions, rental enhancements and geographical diversification in their investments.

REIT IPOs (1H 2007)

Market	Name of REIT	Listing Date	Market Capitalisation (US\$ mn) as of end Jun-07
Japan	Nomura Real Estate Residential Fund	14-Feb-07	454
Singapore	MacarthurCook Industrial REIT	19-Apr-07	226
Hong Kong	Regal REIT	30-Mar-07	1,012
	RREEF CCT REIT	22-Jun-07	263
Taiwan	Gallop No.1 REIT	15-May-07	123
Thailand	JC Property Fund	5-Jan-07	N/A
	Gold Property Fund	22-May-07	59
Malaysia	Quill Capita Trust	8-Jan-07	113
	Al-Hadharah Boustead REIT	8-Feb-07	155
	Amanahraya REIT	26-Feb-07	50
	Atrium REIT	26-Mar-07	34

JAPAN

The J-REIT sector continued to expand during the first half of 2007, with the total market capitalisation increasing by 22.6% to JPY 6.07 trillion as strong investor demand pushed up stock prices. However June saw a reversal in fortunes, with the Tokyo Stock Exchange's J-REIT index ending the month down 12.03% from the record high reached at the end of May.

The significant decline has been partially attributed to the rising 10-year Japanese government bond (JGB) yield, which increased by 12 bps to 1.87% over the month of June. With the average dividend yield for the 41 listed J-REITs ending the first half of 2007 at 3.7%, June saw the spread over JGBs narrow. Despite this yield compression, foreign investors are expected to continue to take advantage of yield differentials since J-REIT dividend yields are still over 100 bps over the benchmark 10-year JGB.

The rate of new J-REIT listings slowed considerably in the first half of 2007. While the first half of 2006 saw eight new listings, the first half of 2007 saw only one - Nomura Real Estate Residential Fund (NRF), which brought the total number of listed J-REITs to 41.

However interest by overseas investors continued to increase, with investors acquiring or increasing stakes in a number of J-REITs. CapitalLand purchased a 13% stake in BLife Investment Corp and a 33.4% interest in BLife's asset manager Morimoto Asset Management Co, GE Real Estate became the largest shareholder in LCP Investment, with a 35.4% interest, and Morgan Stanley increased its stake in Crescendo Investment Corp. to 27.7% via a private placement of shares, becoming the residential REIT's largest shareholder.

US fund Prospect Asset Management Inc. attracted attention in the first quarter when government filings showed that it held significant stakes in at least 10 J-REITs. According to documents filed with the Financial Services Agency, Prospect holds a 37.4% stake in FC Residential Investment as well as 25.9% of TGR Investment and 22.7% of Japan Single-Residence. This has raised tax concerns for FC Residential Investments, since J-REIT tax exemptions no longer apply if the three largest investors hold a combined stake of 50% or more. With the total stake of its top three investors exceeding the 50% threshold, there is a danger that FC residential Investments will be forced to pay corporate tax.

J-REITs remained acquisitive themselves during the period under review, and continued to diversify purchases in terms of both geographic location and asset sector in order to mitigate sectoral risk and develop balanced portfolios. To avoid the keen competition for Central Tokyo office properties, Nippon Commercial acquired the Kawasaki East One Building in Kawasaki City, approximately 15 kilometres south-west of central Tokyo. Completed in 2004, it provides 112,970 sf NLA of office space. Nippon Commercial acquired the building for JPY 15.1 billion at a 4.3% NOI capitalisation rate.

J-REIT PRICE MOVEMENT (MAR 03 - JUN 07)



Other J-REITs looked further afield, and in March Kenedix Realty Investment acquired the Kyoto Karasuma Building in the Nakagyo-ku section of Kyoto. The 1,982 office building (NLA 83,740 sf) was purchased for JPY 5.4 billion in a related party transaction off a 5.1% NOI capitalisation rate. Demonstrating the continued trend of J-REITs sourcing acquisitions from related parties, June saw ORIX J-REIT acquire the 107,160 sf NLA Lunar Sendai office building in Sendai for JPY 8.5 billion at a 4.9% NOI capitalisation rate from an ORIX Group company.

Looking forward, at least two J-REITs are expected to list in the near future. Attesting to the growing interest in the medical property sector, Tokyo-based real estate liquidation services provider Capital Medica has set up an asset management company and plans to list a J-REIT that will invest solely in medical and healthcare facilities such as hospitals and senior care housing. Daiwa House REIT Management, Inc, a subsidiary of Daiwa House, obtained Financial Services Agency approval for a mixed-sector fund that will include retail, logistics and residential properties. Daiwa House is one of the existing BLife REIT's major sponsors, and has a pipeline contract under which BLife has priority to acquire properties valued at less than JPY 2 billion. However the new Daiwa House REIT will have priority regarding properties worth more than JPY 2 billion.

REIT PERFORMANCE - JAPAN (AS OF JUN-07)

Name of REIT	Date listed	Offer price (JPY)	Closing price 29-Jun-07 (JPY)	% change since Dec-06	52-week high (JPY)	52-week low (JPY)	Distribution yield (%) Jun-07
Nippon Building Fund	10-Sep-01	625,000	1,710,000	8.23%	1,990,000	1,100,000	2.28%
Japan Real Estate Investment	10-Sep-01	525,000	1,450,000	13.28%	1,690,000	1,000,000	2.40%
Japan Retail Fund Investment	12-Mar-02	470,000	1,070,000	10.31%	1,290,000	843,000	3.05%
ORIX JREIT	12-Jun-02	520,000	982,000	23.21%	1,210,000	639,000	3.17%
Japan Prime Realty Investment	14-Jun-02	200,000	481,000	11.34%	553,000	340,000	2.88%
Premier Investment Company	10-Sep-02	480,000	1,190,000	56.99%	1,190,000	600,000	2.64%
TOKYU REIT	10-Sep-03	505,000	1,190,000	14.42%	1,420,000	815,000	3.05%
Global One Real Estate Investment	25-Sep-03	495,000	1,520,000	27.73%	1,640,000	982,000	2.55%
Nomura Real Estate Office Fund	4-Dec-03	505,000	1,330,000	22.02%	1,520,000	883,000	2.46%
United Urban Investment	22-Dec-03	484,000	927,000	18.54%	1,070,000	655,000	3.75%
Mori Trust Sogo REIT	13-Feb-04	753,000	1,400,000	25.00%	1,620,000	990,000	2.99%
Nippon Residential Investment	2-Mar-04	509,000	715,000	10.00%	833,000	565,000	4.00%
TGR Investment	17-May-04	400,000	417,000	6.38%	470,000	339,000	5.53%
Frontier Real Estate Investment	9-Aug-04	550,000	1,100,000	-3.51%	1,310,000	838,000	3.18%
New City Residence Investment	15-Dec-04	550,000	685,000	24.55%	730,000	496,000	4.11%
CRESCENDO Investment	8-Mar-05	500,000	709,000	35.05%	722,000	410,000	3.69%
Japan Logistics Fund	9-May-05	650,000	1,150,000	6.48%	1,360,000	832,000	2.55%
Fukuoka REIT	21-Jun-05	880,000	1,130,000	29.89%	1,250,000	800,000	3.18%
Prospect Residential Investment	12-Jul-05	480,000	435,000	7.41%	474,000	355,000	4.23%
Japan Single-residence REIT	13-Jul-05	530,000	513,000	10.32%	535,000	406,000	4.59%
Kenedix Realty Investment	21-Jul-05	580,000	923,000	34.35%	975,000	586,000	2.95%
Joint Reit Investment	28-Jul-05	530,000	586,000	7.33%	664,000	507,000	4.44%
eASSET Investment	7-Sep-05	500,000	620,000	20.62%	706,000	468,000	5.00%
FC Residential Investment	12-Oct-05	475,000	518,000	14.10%	542,000	405,000	4.25%
DA Office Investment	19-Oct-05	515,000	810,000	29.81%	995,000	463,000	6.12%
Hankyu REIT	26-Oct-05	620,000	1,210,000	29.41%	1,340,000	727,000	2.37%
Advance Residence Investment	22-Nov-05	480,000	578,000	20.42%	655,000	399,000	4.78%
Starts Proceed Investment	30-Nov-05	200,000	205,000	12.02%	234,000	180,000	5.73%
LCP Investment	23-May-06	460,000	505,000	17.44%	555,000	394,000	3.74%
Japan Hotel and Resort, Inc.	15-Feb-06	520,000	671,000	-2.04%	752,000	531,000	3.99% *
Top REIT, Inc.	1-Mar-06	550,000	761,000	-3.67%	998,000	635,000	4.28%
Creed Office Investment	15-Mar-06	500,000	657,000	26.59%	726,000	415,000	5.35%
BLife Investment	22-Mar-06	500,000	702,000	52.28%	893,000	400,000	4.55%
Nippon Hotel Fund Investment	14-Jun-06	480,000	582,000	24.09%	599,000	445,000	3.72%
re-plus residential investment	22-Jun-06	450,000	517,000	14.89%	616,000	416,000	4.85%
Japan Excellent, Inc.	27-Jun-06	520,000	1,060,000	40.03%	1,360,000	564,000	2.87%
Nippon Accommodations Fund	4-Aug-06	580,000	851,000	-3.19%	1,000,000	583,000	3.55% *
MID REIT	29-Aug-06	510,000	623,000	20.97%	740,000	492,000	3.93%
Nippon Commercial Investment	26-Sep-06	470,000	536,000	10.06%	670,000	465,000	4.00% *
Mori Hills REIT Investment	30-Nov-06	750,000	1,210,000	16.35%	1,450,000	878,000	2.89% *
Nomura Real Estate Residential Fund	14-Feb-07	630,000	824,000	30.79% ^	964,000	824,000	2.62% *

^ % price change over offer price;

* Includes forecast dividends

SINGAPORE

As at the end of the first half of 2007, there were presently 16 S-REITs listed on the Singapore Exchange, with a total market capitalisation of more than S\$29 billion.

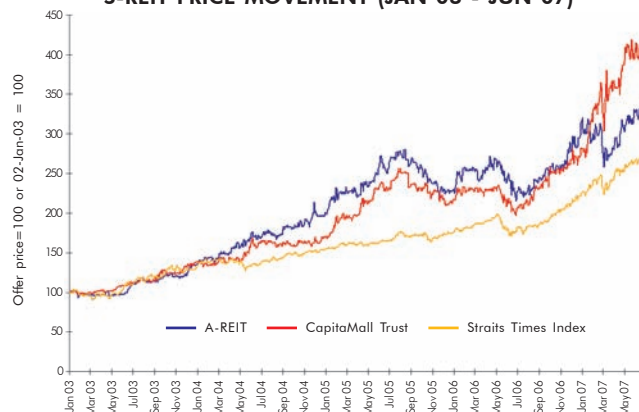
In a move aimed at making Singapore a major REIT hub, the Monetary Authority of Singapore (MAS) released a consultation paper on proposed amendments to the REIT Guidelines in March. Key proposals included improving disclosure on short-term yield-enhancing arrangements and their impact, allowing REITs to pay dividends in excess of current income, removing the aggregation rule for transactions with the same interested party and prohibiting discounts to institutional investors at IPO. The Securities Industrial Council decided to extend the Code on Takeover and Mergers in June.

In acquisitions by existing REITs in the first half of 2007, CDL Hospitality Trust acquired the Novotel Clarke Quay Hotel from Lehman Brothers for S\$201 million and Cambridge Industrial Trust purchased nine industrial properties for a total of S\$141.1 million. First REIT also acquired three nursing homes and a hospital for a total of S\$51 million during the period under review.

MacarthurCook Industrial REIT, the fourth S-REIT to focus on warehouses and other logistics-related properties in Asia, commenced trading on the SGX in April. The trust had an initial portfolio of 12 local properties valued at S\$316.2 million. Pramerica Asia was reported to be looking to divest its retail property portfolio via the REIT route. Parkway Holdings planned to launch Parkway Life REIT, a healthcare REIT with an initial portfolio of three local hospitals, Gleneagles Hospital, Mount Elizabeth Medical Centre and Eastshore Hospital, worth S\$765 million.

The first S-REIT to focus on Asian healthcare facilities, First REIT's initial portfolio consisted of three hospitals and a hotel resort in Indonesia worth a total of S\$257 million and it added four Singapore healthcare facilities to its portfolio for S\$51.0 million in the first half of 2007. Twelve Jakarta shopping malls with a total lettable area of 500,000 sf will be injected into the Lippo Group's second REIT, while the Group's third REIT's initial portfolio will comprise

S-REIT PRICE MOVEMENT (JAN 03 - JUN 07)



commercial properties outside Indonesia, including office buildings in Singapore, China and Hong Kong worth a total of S\$2 billion.

JTC, the largest industrial developer in Singapore, has announced plans to list an industrial S-REIT in the near future. Its initial portfolio will include flatted, ramp-up and stack-up factories, three multi-tenanted business park facilities and a warehouse, with an estimated total worth of S\$1.4 billion to S\$1.6 billion. Indian developer Embassy Group was also reported to be considering launching a REIT in Singapore, with a portfolio comprising some of its Indian business parks, while Ascendas was reported to be looking at setting up a property fund comprised of its Indian assets.

The outlook for the S-REIT market remains positive. The S-REIT market has grown steadily, increasing from seven S-REITs in 2005, to 16 at the end of the first half of 2007. If market conditions remain favourable, the number of listed S-REITs could reach 30 by the end of 2008. The new listings are likely to include more cross-border REITs and REITs focused on asset classes such as serviced apartments, healthcare facilities and hotels. Competition will likely become more intense over the next few years, as increasing numbers of overseas REIT issuers list in Singapore.

REIT PERFORMANCE - SINGAPORE (AS OF JUN-07)

Name of REIT	Date listed	Offer price (S\$)	Closing price 29-Jun-07 (S\$)	% change since Dec-06	52-week high (S\$)	52-week low (S\$)	Annualised yield (%) Jun-07
CapitaMall Trust	17-Jul-02	0.96	4.22	45.02%	4.32	2.08	2.96%
Ascendas REIT	19-Nov-02	0.88	2.94	10.11%	2.94	1.83	4.59%
Fortune REIT	12-Aug-03	HK\$4.75	HK\$6.60	11.86%	HK\$6.80	HK\$5.30	5.22%
CapitaCommercial Trust	11-May-04	1.00	2.93	11.83%	3.32	1.63	2.90%
Suntec REIT	9-Dec-04	1.00	1.94	6.59%	2.13	1.17	4.11%
Mapletree Logistics Trust	28-Jul-05	0.68	1.42	19.33%	1.48	0.85	4.48%
Macquarie MEAG Prime REIT	20-Sep-05	0.98	1.24	5.98%	1.28	0.885	4.65%
Allco Commercial REIT	30-Mar-06	1.00	1.22	9.91%	1.44	0.795	5.32%
Ascott Residence Trust	31-Mar-06	0.68	2.02	26.25%	2.17	1.05	3.98%
K-REIT Asia	28-Apr-06	1.04	2.86	14.40%	3.54	1.24	3.00%
Frasers Centrepoint Trust	5-Jul-06	1.03	1.72	12.42%	1.91	1.03	3.88%
CDL Hospitality Trust	19-Jul-06	0.83	2.46	47.31%	2.55	0.845	2.89%
Cambridge Industrial Trust	25-Jul-06	0.68	0.945	18.13%	0.985	0.61	6.16%
CapitaRetail China Trust	8-Dec-06	1.13	3.16	50.48%	3.26	1.56	2.16%
First Real Estate Investment Trust	11-Dec-06	0.71	0.805	5.92%	0.835	0.715	8.19%
MacarthurCook Industrial REIT	19-Apr-07	1.20	1.33	10.83% ^	1.55	1.14	4.19%

^ % price change over offer price

HONG KONG

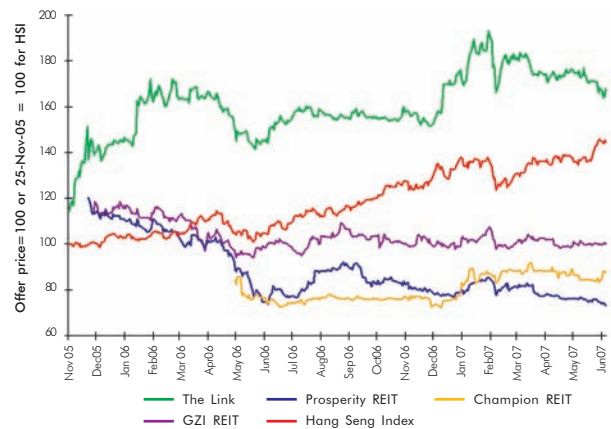
Two new REITs were listed on the local bourse during the first half of 2007; Regal Hotel REIT and RREEF China Commercial REIT, taking the total number of H-REITs in the market to seven, with market capitalisation valued at HK\$68 billion.

The performance of listed H-REITs continued to be generally weak, with only The Link REIT and Champion REIT recording significant growth in price in the first half of 2007, underperforming the broader equity market. The stable income growth nature of H-REITs has made such investments less attractive to investors during the bull market in the first half. Despite the underperformance in price, H-REITs listed for more than a year have reported better income statements as a result of gains in property revaluation and growth in rental income. The Link REIT remained the strongest performing trust in terms of its distributable income, which surged to HK\$1.441 billion for the year ending March 2007, from HK\$467 million in the previous financial year, benefiting from rental reversions, that exceeded market expectations. The Prosperity REIT's 2007 interim results saw distribution per unit rise by 10.7% y-o-y to HK\$0.0639, while Champion REIT recorded HK\$257 million in income for fiscal 2006, 23% above the forecast made in its prospectus. The Regal REIT was launched on 30 March 2007, raising HK\$2.3 billion via IPO. The Regal REIT is the first H-REIT backed by hospitality assets with five Hong Kong hotels spun-off from Regal Hotels International Holdings Ltd. Regal REIT closed at HK\$2.69 on its first day of trading, slightly above its initial offer price of HK\$2.68, the forecast annualised yield is estimated at 7.51% based on its offering price.

June saw another China real estate investment trust listed on the Stock Exchange of Hong Kong, as RREEF China Commercial Trust (RREEF CCT) raised HK\$2.25 billion in its IPO. The RREEF CCT is a single-asset REIT, comprised of a premium Grade A office building in Beijing's Chaoyang District. The Beijing Gateway Plaza consists of twin towers connected by a three-storey atrium, together with car park and retail space. However, as investor sentiment regarding H-REITs remained muted, the unit price fell on its trading debut and closed 8.2% below the IPO price of HK\$5.15. The forecast annualised yield of RREEF CCT is estimated at 6.37%, based on its minimum offer price of HK\$5.00.

With tight supply and increased demand for warehouse and logistics space in Hong Kong, overseas institutions were witnessed seeking investment opportunities in industrial properties that offered higher yields and positive rental growth. Highlighting this trend, SGX-listed Mapletree Logistics Trust (MapletreeLog) continued to show keen interest in adding Hong Kong properties to its portfolio. MapletreeLog has made two acquisitions in Hong Kong thus far in

H-REIT PRICE MOVEMENT (NOV 05 - JUN 07)



2007, acquiring warehouse spaces and lorry parking spaces in Shatin in May for a total consideration of HK\$780 million, while in July it purchased four storeys of warehouse space in a 19-storey industrial building for HK\$66 million from Ever Gain Group. As reported, the vendor will lease back the property for five years. Despite relatively weak momentum and the lacklustre investment sentiment regarding H-REITs, Hong Kong hotel operator Far East Consortium International has expressed interest of spinning off properties through a REIT listing in a bid to increase cash reserves for future development. It is scheduled to inject seven to ten hotels into the hospitality REIT.

With a record of weak debuts, it is becoming more difficult for H-REIT sponsors to attract investor interest in new REITs and the further drop in H-REIT prices has translated to a higher yield spreads over long-term bonds, reaching an average yield of 7.2% as at the end of June. While H-REITs added little or nothing to their portfolios after listing in the past year, some H-REIT managers are actively seeking acquisition opportunities in Hong Kong and Mainland China, in order to enhance their competitiveness and revive investor interest. Facing intense competition from Singapore in the race to become the regional REIT centre, the Hong Kong Securities and Futures Commission has recently collected opinions on revitalising the REIT market, which may be taken into account in regulatory revisions. While further loosening in rules may provide some stimulation to the market, the implementation of a longer-term growth strategy remains a crucial concern of REIT investors as they expect to engage in sustained portfolio development via acquisitions, rental enhancements and geographical diversification of their investment activity.

REIT PERFORMANCE - HONG KONG (AS OF JUN-07)

Name of REIT	Date listed	Offer price (HK\$)	Closing price 29-Jun-07 (HK\$)	% change since Dec-06	52-week high (HK\$)	52-week low (HK\$)	Distribution yield (%) Jun-07
The Link REIT	25-Nov-05	10.30	17.30	8.13%	20.00	15.00	3.90%
Prosperity REIT	16-Dec-05	2.16	1.58	-6.51%	2.00	1.57	7.99%
GZI REIT	21-Dec-05	3.07	3.08	0.33%	3.37	2.91	6.71%
Champion REIT	24-May-06	5.10	4.48	19.15%	4.84	3.65	7.53%
Sunlight REIT	21-Dec-06	2.60	2.25	-0.44%	2.60	2.11	9.82%*
Regal REIT	30-Mar-07	2.68	2.55	-4.85% ^	2.79	2.50	7.89%*
RREEF CCT REIT	22-Jun-07	5.15	4.70	-8.74% ^	5.26	4.50	6.78%*

^ % price change over offer price;

* Forecast yield based on company's forecast distribution per unit

SOUTH KOREA

Two new K-REITs were launched via private offering during the December 2006 to June 2007 period. At the end of June, there were 16 K-REITs, of which six were listed on the Korea Exchange.

New Corporate Restructuring REITs (CR-REITs), KOCREF NPS 2 and KOCREF 11, were introduced to the market in December 2006 and April 2007, respectively. Both were privately offered and are managed by Korea's largest REIT management company, KORAMCO, which now manages 11 K-REITs.

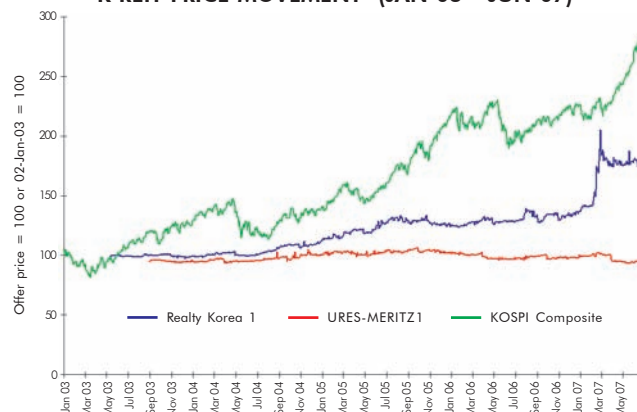
KOCREF NPS 2 is the third K-REIT focusing on retail property. Its KRW 640.7 billion initial portfolio consisted of 10 Homever discount stores (former Carrefour stores renamed when E-land Retail took over Carrefour Korea in 2006). The new REIT will lease the properties back to E-land Retail (Homever) until the REIT is liquidated in 2017. KOCREF NPS 2 is expected to pay an annualised dividend yield of 13.13%.

KOCREF 11's initial portfolio consisted of an office property valued at KRW 220 billion. The STX Namsan Tower, located in Seoul's CBD, was sold by Daewoo Engineering & Construction when the company was acquired by Kumho Asiana Group in late 2006.

Existing CR-REITs have begun to reach maturity. Kyobo-Meritz 1 CR-REIT, the first CR-REIT to be listed on the stock exchange, was also the first to reach maturity; it was de-listed in December 2006 and liquidated in June 2007, with the final dividend at an annualised yield of approximately 14%. Its portfolio of an office building and three residential properties was sold to the previous owner, Korean Air, at a price KRW 3.5 billion below the original acquisition price, disappointing investors who had expected a large capital gain. Given the residential properties' limited price appreciation during Seoul's housing boom, manager Koreits explained that the uncertainty of residential prices in Korea had forced it to sell the properties to Korean Air as a package instead of disposing of them separately or selling individual units in the residential properties.

KOCREF 1 CR-REIT was de-listed in May and is being liquidated. In May it disposed of its assets (two office buildings) to Hanwha Chemical Corporation and Samsung Life Insurance at a price almost

K-REIT PRICE MOVEMENT (JAN 03 - JUN 07)



twice their capital value in 2002 due to the strong investment demand for Seoul office properties. KOCREF 1 is expected to pay a dividend yield of approximately 30% at its settlement term.

During 2008, four listed REITs will reach maturity and be liquidated, with estimated dividend yields ranging between 20%-30%. Considering its robust performance and appreciating asset values, Macquarie Central Office CR-REIT, maturing in December 2008, is expected to show the highest capital gain and dividend yield upon liquidation.

The National Assembly passed the latest amendments to the REITs Act in June 2007 and the measures will take effect in October. The revisions further simplified and eased regulations governing the establishment and management of REITs. Major changes include the reduction of the initial capital requirement, simplification of approval procedures, the removal of the restriction on investing in development projects, increasing the cap on leverage from twice equity capital to 10 times with the approval of shareholders, and the abolition of the limit on equity that can be held by pension funds. The new policies and strong demand from yield-hungry investors are expected to revitalise the securitised real estate investment market, and lead to new REITs offering diverse investment opportunities.

REIT PERFORMANCE - SOUTH KOREA (AS OF JUN-07)

Name of REIT	Date listed	Offer price (KRW)	Closing price 29-Jun-07 (KRW)	% change since Dec-06	52-week high (KRW)	52-week low (KRW)	Distribution yield (%) Jun-07
Realty Korea 1 CR-REIT	13-May-03	5,000	9,070	32.22%	10,400	6,850	5.73%
KOCREF 3	29-Aug-03	5,000	9,900	43.48%	10,600	6,610	5.00%
URES MERITZ 1 CR-REIT	29-Aug-03	5,000	5,050	-4.90%	5,450	4,915	9.10%
Macquarie Central Office CR-REIT	8-Jan-04	5,000	7,800	7.59%	8,300	6,110	8.19%
KOCREF 7	11-Nov-05	5,000	6,640	22.96%	6,980	5,510	7.44%
KOCREF 8	15-Jun-06	5,000	5,960	18.49%	6,250	4,630	5.04%

TAIWAN

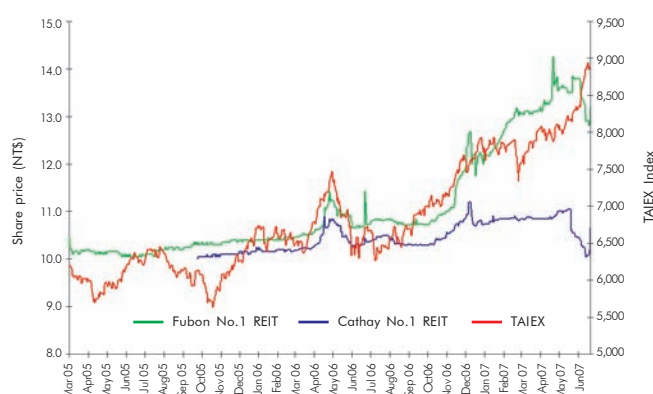
The May listing of the Gallop No.1 REIT on the Taiwan Stock Exchange brought the number of T-REITs to eight and increased T-REIT market capitalisation to US\$1.92 billion as of the end of June 2007. Managed by Tai-Chia International, a JV between Chia Hsin International and IBT Management, Gallop No. 1's NT\$4.28 billion initial portfolio consisted of the Goldsun Development & Construction Building and portions of the CTCI Building and the Honeywell Information Building.

All three of these office properties were fully occupied at the time of the listing. The CTCI Building is situated in the prime Dunhua-Renai area, while the Goldsun building is located near Taipei Main Station, the hub of Taipei's transportation systems. The Honeywell Information Building is an industrial office building in Zhonghe City, Taipei County, easily accessible from Taipei's CBDs by both national highway and expressway. CTCI and Goldsun, both sale and leaseback properties, currently house corporate headquarters, a potential cause of concern with respect to tenant concentration risks. However Taiwan Ratings has assigned Gallop a rating of twA, its third highest, on the long-term horizon, believing that Tai-Chia's property management experience would enable it to minimise any vacancy period if major tenants relocated.

Gallop No. 1 is the first T-REIT to adopt an "Index Profit Distribution Mechanism" designed to stabilise profit distribution. Whenever actual yields exceed the target of 4.05%, a reserve (limited to 10% of the annual distributable profits) will be set aside. Whenever the dividend yield is lower than the 4.05% target, this reserve will be used to cover the shortfall, ensuring investors a stable income stream. Gallop has moved in a narrow price band and ended the period under review at NT\$9.45, below its IPO price of NT\$10.00. However analysts expect the performance to improve due to Gallop's asset quality and solid tenant base.

Investors continued to show a marked preference for T-REITs backed by well-known local financial/insurance groups during the period under review, with Fubon No. 1 and Cathay No. 1 outperforming the overall T-REIT market. Fubon No. 1's unit price rose by 8.4% during the period under review. These T-REITs were also the first two to be launched, implying that investors may find REITs with longer track records more appealing. Fubon No. 1 has a diversified portfolio in terms of both tenant mix and property sector, holding office,

T-REIT PRICE MOVEMENT (MAR 05 - JUN 07)



residential and retail properties. The prize in its portfolio is the Fubon Insurance Building, a Grade A office building in the buoyant Dunhua-Renai area that boasts average rentals of NT\$2,949 per ping (US\$2.51 psf) roughly 25% higher than Grade A average rent in the city, and is fully occupied.

The other outperforming T-REIT, Cathay No. 1, also has a diversified portfolio including hotel, retail and office properties, with the Sheraton Hotel accounting for 77% of the REIT's total rental revenue in the first quarter. The Sheraton previously paid an annual rental fee of NT\$375 million or 22% of turnover, depending on which amount was higher, however in the second half of 2006 the rent was raised to NT\$540 million or 25% of turnover. The Sheraton saw revenue increase 4.8% y-o-y in the first quarter of 2007 and 17.7% y-o-y in the second quarter, a performance likely to boost Cathay No.1's distributable dividend per share, enhancing its dividend yield.

Looking forward, Taipei's upbeat property market, which saw rising rents, tightening vacancy and strong demand for quality office space, could help REIT managers deliver higher distribution growth. Successful REIT listings by well-known conglomerates planning to package their properties into REITs, including Prince Housing & Development, would increase the market's sophistication and diversity, potentially attracting additional investors and enhancing liquidity. Any increase in the yields of existing REITs would also enhance the market's attraction for investors.

REIT PERFORMANCE - TAIWAN (AS OF JUN-07)

Name of REIT	Date listed	Offer price (NT\$)	Closing price 29-Jun-07 (NT\$)	% change since Dec-06	52-week high (NT\$)	52-week low (NT\$)	Distribution yield (%) Jun-07
Fubon No. 1 REIT	10-Mar-05	10.00	13.17	8.40%	14.26	12.15	3.44% *
Cathay No.1 REIT	3-Oct-05	10.00	10.65	-1.11%	11.10	9.98	3.89% *
Shin Kong No.1 REIT	26-Dec-05	10.00	10.70	-5.73%	12.12	10.02	3.53% *
Fubon No. 2 REIT	13-Apr-06	10.00	11.40	-9.52%	13.26	11.00	2.55% *
Trident REIT	26-Jun-06	10.00	9.30	-7.92%	10.04	8.92	2.55% *
Kee Tai Star REIT	14-Aug-06	10.00	9.20	-8.18%	10.12	8.92	3.96% **
Cathay No. 2 REIT	13-Oct-06	10.00	10.49	-9.10%	12.00	10.83	4.22% **
Gallop No.1 REIT	15-May-07	10.00	9.45	-5.50% ^	10.07	9.20	4.05% **

^ % price change over offer price; *Yield based on distribution per unit paid for FY2006, annualised yield on Trident REIT

** Dividend yield based on company's forecast distribution per unit

THAILAND

Two property funds were listed on the Stock Exchange of Thailand in the first half of 2007, bringing the total to 14 with a market capitalisation of about THB 46.4 billion.

The JC Property Fund (JCP) was listed in January, with the Government Savings Bank Private Fund holding over 99% of units so that there has been no activity in the public market. JCP's THB 620 million portfolio consists of space in the JC Kevin Office Tower A building and a car

park, both held under a 30-year lease with an option to extend for five years. Gold Property Fund (GOLDPF) was listed in May. It has invested in the 30-year land and building leasehold Mayfair Marriot Executive Apartment serviced apartment complex, and has an option to renew for another 30 years. The 26-storey building is owned by a subsidiary of Golden Land Property Development. GOLDPF has guaranteed rental returns from the property for five years and will pay dividends of not less than 90% of the annual net profit. The dividend yield is expected to be about 8%.

REIT PERFORMANCE - THAILAND (AS OF JUN-07)

Name of REIT	Date listed	Offer price (THB)	Closing price 29-Jun-07 (THB)	% change since Dec-06	52-week high (THB)	52-week low (THB)	Dividend yield (%) Jun-07
UOB Apartment Property Fund I	29-Oct-03	10.00	6.85	-8.67%	7.75	6.50	7.0%
Bangkok Commercial Property Fund	19-Nov-03	10.00	8.95	1.70%	9.20	8.20	6.3%
Millionaire Property Fund	8-Mar-05	10.00	11.00	7.84%	11.10	10.10	7.4%
Ticon Property Fund	12-May-05	10.00	10.50	12.30%	10.80	8.30	8.0%
Thai Industrial Property Fund 1	29-Jun-05	10.00	10.20	4.08%	10.40	9.30	8.5%
MFC-Nichada Thani Property Fund	11-Aug-05	10.00	10.00	0.00%	11.00	10.00	6.1%
CPN Retail Growth Property Fund	23-Aug-05	10.00	10.10	1.51%	10.90	9.00	7.9%
Baan Sansiri Property Fund	26-Sep-05	10.00	10.20	6.25%	10.30	9.40	7.3%
Samui Airport Property Fund	24-Nov-06	10.00	9.20	-8.00%	10.30	6.90	9.2% *
T.U. Dome Residential Complex Property Fund	6-Dec-06	10.00	10.10	1.00%	10.20	9.00	3.2% *
Future Park Property Fund	7-Dec-06	10.00	9.65	7.22%	9.90	8.20	9.9% *
Quality Houses Property Fund	12-Dec-06	10.00	9.70	-3.00%	10.40	9.50	7.8% *
JC Property Fund	5-Jan-07	10.00	-	-	-	-	-
Gold Property Fund	22-May-07	10.00	10.00	0.00% ^	10.10	9.85	8.0% *

^ % price change over offer price; * Dividend yield based on company's forecast distribution per unit

MALAYSIA (THIS SECTION IS CONTRIBUTED BY C H WILLIAMS TALHAR & WONG)

Four M-REITs were listed in the first half of 2007, bringing the total to 13 and M-REIT market capitalization to approximately RM 5.01 billion.

Quill Capita Trust's portfolio consisted of four commercial properties appraised at RM 280 million (net lettable area 493,118 sf). Malaysia's second Islamic REIT, Al - Hadharah Boustead REIT had an RM 489 million initial portfolio of eight oil palm estates and two mills. Amanahraya REIT's diverse portfolio included hotels, factories, office blocks and academic facilities appraised at RM 341.8 million (net lettable area 1.1 million sf). Atrium REIT, the first logistics-focused M-

REIT, listed with four properties valued at RM 158.3 million. In June, Quill Capita Trust acquired the Wisma Technip office building for RM 125 million, as well as retail and parking space at Plaza Mont Kiara for RM 90 million. It has proposed a placement of new units that would increase its size from 239 million units to 490 million. Amanahraya REIT acquired three industrial properties from Amanah Raya for RM 139.7 million, and will issue new units at RM 0.94 to fund the transaction. In cash transactions it acquired a leasehold commercial property from SEG International for RM 145 million and a leasehold industrial property from Teras Globalmas for RM 23.97 million.

REIT PERFORMANCE - MALAYSIA (AS OF JUN-07)

Name of REIT	Date listed	Offer price (RM)	Closing price 29-Jun-07 (RM)	% change since Dec-06	52-week high (RM)	52-week low (RM)	Dividend yield (%) Jun-07
Amanah Harta Tanah PNB	28-Dec-90	N/A	0.86	13.16%	1.190	0.750	6.40%
Amanah Harta Tanah PNB 2	25-Mar-97	N/A	0.47	2.17%	0.580	0.425	5.00%
Axis-REIT	3-Aug-05	1.25	2.24	32.54%	2.240	1.600	5.30% *
Starhill REIT	16-Dec-05	0.96	1.08	27.06%	1.140	0.820	6.21% *
UOA REIT	30-Dec-05	1.15	1.36	25.93%	1.710	1.050	6.06% *
Tower REIT	12-Apr-06	1.07	1.17	28.57%	1.360	0.870	3.79% *
Al-Aqar KPJ REIT	10-Aug-06	0.95	1.01	1.00%	1.050	0.890	7.07% *
Hektar REIT	4-Dec-06	1.05	1.54	50.98%	1.800	0.940	2.49% *
Amfirst REIT	20-Dec-06	1.00	0.99	10.00%	1.010	0.855	3.72% *
Quill Capita Trust	8-Jan-07	0.84	1.63	-48.47% ^	2.000	0.820	6.35% *
Al-Hadharah Boustead REIT	8-Feb-07	0.99	1.34	-26.12% ^	1.590	1.030	7.03% *
Amanahraya REIT	26-Feb-07	0.895	0.94	-4.79% ^	0.980	0.825	6.93% **
Atrium REIT	26-Mar-07	1.05	0.97	8.25% ^	1.060	0.910	8.04% **

^ % price change over offer price; * Annualised yield
** Dividend yield based on company's forecast distribution per unit

Hong Kong

34/F Central Plaza
18 Harbour Road, Wanchai
Hong Kong
Telephone: (852) 2820 2800
Facsimile: (852) 2810 0830

Suite 2109-12, 21/F
Sun Life Tower, The Gateway,
15 Canton Road, Tsimshatsui
Kowloon, Hong Kong
Telephone: (852) 2820 8100
Facsimile: (852) 2521 9517

Beijing

Unit 1203-1205, 12/F, Tower A
Beijing Fortune Plaza
7 Dong San Huan Middle Road
Chaoyang District, Beijing 100020
People's Republic of China
Telephone: (86) 10 5820 9288
Facsimile: (86) 10 5820 9088/9188

Shanghai

Suite 3201, 3203-3206
32/F, K. Wah Center
1010 Huai Hai Middle Road
Shanghai 200031
People's Republic of China
Telephone: (86) 21 2401 1200
Facsimile: (86) 21 5403 7519

Unit 1004, 10/F, Azia Center
1233 Lujiazui Ring Road
Shanghai 200031
People's Republic of China
Telephone: (86) 21 2401 1200
Facsimile: (86) 21 5047 1171

Guangzhou

Suite 1401-1402,
Guangzhou International Electronics Tower
403 Huanshi East Road
Guangzhou 510095
People's Republic of China
Telephone: (86) 20 2883 9200
Facsimile: (86) 20 2883 9248

Shenzhen

Suite 2404-05, Excellence Times Square Building
4068 Yitian Road, Futian District
Shenzhen 518048
People's Republic of China
Telephone: (86) 755 3395 3700
Facsimile: (86) 755 2399 5370

Hangzhou

Suite 1201, 12/F, Anno Domini Plaza
North Tower, 8 Qiu Shi Road
Hangzhou 310013
People's Republic of China
Telephone: (86) 571 2880 6818
Facsimile: (86) 571 2880 8018

Chengdu

Suite 2906, Building A, Times Plaza
No.2, Zong Fu Road, Chengdu 610016
People's Republic of China
Telephone: (86) 28 8667 0022
Facsimile: (86) 28 8667 2121

Tianjin

Room 903, Tower A, The Exchange
No.189 Nanjing Road, Heping District
Tianjin 300051
People's Republic of China
Telephone: (86) 22 8319 2178
Facsimile: (86) 22 8319 2180

Dalian

Room 2104, 21/F
Tian An International Tower
No.88 Zhongshan Road
Zhongshan District, Dalian 116001
People's Republic of China
Telephone: (86) 441 3980 5855
Facsimile: (86) 441 3980 5866

Taipei

13F/A, Hung Tai Center
170 Tun Hua North Road
Taipei 105, Taiwan, R.O.C.
Telephone: (886) 2 2713 2266
Facsimile: (886) 2 2712 3065

Singapore

6 Battery Road #32-01
Singapore 049909
Telephone: (65) 6224 8181
Facsimile: (65) 6225 1987

Tokyo, Japan

5/F, Shuwa Daiichi Hamamatsucho Building
2-2-12 Hamamatsucho, Minato-ku
Tokyo 105-0013, Japan
Telephone: (81) 3 5470 8711
Facsimile: (81) 3 5470 8715

1/F, Shuwa Daiichi Hamamatsucho Building
2-2-12 Hamamatsucho, Minato-ku
Tokyo 105-0013, Japan
Telephone: (81) 3 5470 8800
Facsimile: (81) 3 5470 8801

*20 offices throughout Japan

Seoul, Korea

12/F, SC First Bank Building
100 Gongpyeong-dong, Jongno-gu
Seoul, Korea 110-702
Telephone: (822) 2170 5800
Facsimile: (822) 2170 5899

New Delhi, India

G/F PT.I Building
4 Parliament Street
New Delhi 110 001, India
Telephone: (91) 11 4239 0200
Facsimile: (91) 11 2331 7670

Mumbai, India

#5, 3/F Tower C, Laxmi Towers
G-block, Bandra Kurla Complex
Bandra (E), Mumbai 400 051, India
Telephone: (91) 22 2652 7628/7665
Facsimile: (91) 22 2652 7655

Bangalore, India

3/F The Hulkul
81/37, Lavelle Road
Bangalore 560 001, India
Telephone: (91) 80 4112 1240-49
Facsimile: (91) 80 4112 1239

Chennai (Madras), India

2H, 2/F Gee Gee Emerald 2C & 2D
151 Village Road, Nungambakkam
Chennai 600 034, India
Telephone: (91) 44 2821 4599/4571
Facsimile: (91) 44 2821 4607

Hyderabad, India

Eden Garden 8-2-595/3/5
Road No.10, Banjara Hills
Hyderabad 500 034, India
Telephone: (91) 40 2335 8887
Facsimile: (91) 40 2335 8886

Pune, India

705-706, 7/F Nucleus
Church Road
Pune 411 001, India
Telephone: (91) 20 2605 5437/5367
Facsimile: (91) 20 2605 5405

Jakarta, Indonesia

7/F Permata Bank Tower I
Jalan Jenderal Sudirman Kav. 27
Jakarta 12920, Indonesia
Telephone: (62) 21 523 7337
Facsimile: (62) 21 523 7227

Manila, Philippines

Suite 1002-1005, 10/F
Ayala Tower One & Exchange Plaza
Ayala Avenue, Makati City
Metro Manila 1226, Philippines
Telephone: (632) 752 2580
Facsimile: (632) 752 2571

Bangkok, Thailand

46/F, CRC Tower, All Seasons Place
87/2 Wireless Road
Lumpini, Pathumwan
Bangkok 10330, Thailand
Telephone: (66) 2 654 1111
Facsimile: (66) 2 685 3300-1

Phuket, Thailand

12/9 Moo 4 Thepkrasattri Road
Koh Kaew, Amphur Muang
Phuket 83000, Thailand
Telephone: (66) 76 239 967
Facsimile: (66) 76 239 970

Hanoi, Vietnam

Floor 12A, Vincom City Tower B
191 Ba Trieu Street
Hanoi, Vietnam
Telephone: (844) 220 0220
Facsimile: (844) 220 0210

Ho Chi Minh City, Vietnam

Unit 1301, Me Linh Point Tower
2 Ngo Duc Ke Street, District 1
Ho Chi Minh City, Vietnam
Telephone: (848) 824 6125
Facsimile: (848) 823 8418

Contribution from
CH Williams Talhar & Wong
32nd Floor, Menara Tun Razak
Jalan Raja Laut, P.O. Box 12157
50768 Kuala Lumpur
Malaysia
Telephone: (603) 2693 8888
Facsimile: (603) 2693 6655/6565

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