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**Hektar REIT 1Q07 Net Income Exceeds Forecast by 18.6% -  
*Hektar REIT to Announce Quarterly Dividend Policy***

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**Kuala Lumpur, April 23, 2007** – Hektar Asset Management Sdn Bhd (“The Manager”), the manager of Hektar Real Estate Investment Trust (“Hektar REIT”) is pleased to announce the First Quarter results 2007 (unaudited) for the 4-month period beginning 1 December 2006 and ending 31 March 2007.

Hektar REIT’s gross revenue for the First Quarter 2007 was RM23,583,684 and net property income was RM14,862,818. Net Income for Hektar REIT during the period was RM11,241,715, which translated to Earnings per Unit of 3.51 sen, or 18.6% higher than the earnings forecast published in the Hektar REIT Prospectus, dated November 15, 2006. The Manager attributed the increase to better than expected operational performance and reduced interest expense.

The Manager also announced a quarterly dividend policy, of which Hektar REIT will pay out dividend payments 4 times a year, after the close of every quarter. The First Quarter 2007 Distribution Per Unit (DPU) is 2.4 sen, which is based on the annual forecast of 9.6 sen. Based on the closing price of RM1.09 on 18 April 2007, the annualised distribution yield is 8.2%. The Book Closing Date is 9 May 2007 and Unitholders can expect to receive their first quarterly dividend of 2.4 sen on 17 May 2007. As of 31 March 2007, the Net Asset Value per Unit is RM1.04, which is net of the provision of RM7,680,024 for the First Quarter dividend distribution.

Hektar Asset Management Chief Executive Officer, Dato’ Jaafar Abdul Hamid, said “We are very pleased with our First Quarter 2007 results. Hektar REIT’s Net Income has outperformed our prospectus forecast by 18.6% and I believe this is validation of our management execution”.

“In keeping with our emphasis on international best practices, Hektar REIT is proud to announce that it will pay out dividends on a quarterly basis. The majority of leading REITs in the US and in Singapore pay quarterly dividends and we believe the practice will encourage foreign participation in Malaysian REITs. Above all, we wish to reward our investors for their patience

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and support and we believe the practice of paying quarterly dividends is testament to the confidence in our management of our portfolio”, Jaafar pointed out.

Jaafar continued, “Going forward, we will strive to reward our Unitholders over the long term. The prospects for retail in Malaysia are enormous. Even with Hektar REIT’s 1 million square feet under management, we don’t quite control more than 1% of the entire retail space in Malaysia. Our pipeline for acquisitions and development is significant and we will continue to execute our business plan and growth strategy quietly and surely.”

“Mark my words, Hektar REIT will be a key long-term player in the retail property sector”, Jaafar concluded.

For further information, please log on to [www.bursamalaysia.com](http://www.bursamalaysia.com)

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#### **ABOUT HEKTAR REIT**

Hektar Real Estate Investment Trust (“Hektar REIT”) is the first retail-focused REIT in Malaysia, investing and operating commercial retail properties. Hektar REIT was listed on the Main Board of Bursa Malaysia Securities Berhad in December 2006 and Hektar REIT currently owns under 1 million square feet of retail space in Subang Parade, Selangor and Mahkota Parade, Melaka, valued in excess of RM500 million. The primary objectives of Hektar REIT are to provide Unitholders with sustainable dividend income and to achieve long-term capital appreciation of the Fund.

Hektar REIT is managed by Hektar Asset Management Sdn Bhd (“The Manager’), a wholly-owned subsidiary of the Hektar Group, which is focused on the development and management of retail shopping centres. The Hektar Group was formed in 2002 with the vision of creating world-class retail environments through the adoption and implementation of international best practices.

For more information, please log on to our website at [www.hektargroup.com](http://www.hektargroup.com)

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## **IMPORTANT NOTICE**

The past performance of Hektar REIT is not indicative of the future performance of Hektar REIT. This document may contain forward-looking statements that involve risk and uncertainties. Actual future results may vary materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

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