
Hektar REIT Announces Acquisition

To Acquire Integrated Retail Development in Muar, Johor for RM117.5 million

Increase in Asset Size by 21%

Hektar to Remain Retail-Focused

Kuala Lumpur, February 18, 2008 – Hektar Asset Management Sdn Bhd (“The Manager”), the Manager of Hektar Real Estate Investment Trust (“Hektar REIT”), today announced the acquisition of an integrated retail development in Muar at a cost of RM117.5 million.

The new asset is an integrated retail development in Muar, Johor, comprising Wetex Parade, a 5-storey retail shopping centre with 178,742 sq ft of net lettable area (“NLA”) and Classic Hotel, a 5-storey hotel development with 156 rooms.

The property is located in the central business district of Muar and will provide an initial net property yield of 7.0%, which is yield-accretive to Hektar REIT. Muar is the third-largest town in Johor with a district population of more than 326,000.

The new acquisition will increase Hektar REIT’s asset size by 21% to RM679 million and enlarge total NLA by 19% to 1.1 million sq ft. It will also provide diversification benefits to Hektar REIT by providing access to the Johor market in addition to its current access to the Selangor market with Subang Parade and to the Melaka market with Mahkota Parade.

Wetex Parade is the premier department-store anchored shopping centre in Muar while Classic Hotel is the leading business hotel in the town.

AmTrustee Berhad, the Trustee of Hektar REIT, has signed a conditional sale and purchase agreement to acquire the property from Wetex Realty Sdn. Bhd., a local business group with interests in textiles and property. The acquisition will be financed using debt. In addition, a 10-

year operating lease agreement was signed with Wetex Realty Sdn Bhd for Classic Hotel. The exercise is expected to be completed by May 1, 2008.

Dato' Jaafar Abdul Hamid, Chief Executive Officer of The Manager said, "As we promised our investors, the first acquisition by Hektar REIT will be yield accretive and financed using debt."

"These are stabilised assets with solid track records. Wetex Parade is approximately 95% occupied, with 60% of its tenancies due for renewal in 2008. We definitely have ideas on how we can improve on the asset and tenant mix as we have done with both Subang and Mahkota Parade," said Jaafar.

"Hektar REIT's focus will remain in retail which we know best. The Classic Hotel will be acquired on a sale and leaseback basis and will be run by the current operator on a 10-year net lease with step-up rentals. The current operator has a decade-long profitable track record and we intend to keep working with them. The annual hotel lease rental comprises approximately 2.7% of our forecast 2008 revenues, so Hektar REIT's business remains predominantly in the business of retail," Jaafar iterated.

"We will continue to look for new opportunities to expand Hektar REIT. Our next acquisition target may require additional equity, so it will be a new milestone and we look forward to working with our current investors and partners."

Hektar REIT, barring unforeseen circumstances has revised its financial year 2008 forecast earnings per unit ("EPU") to 9.85 sen, which is a 9.3% increase over the Prospectus forecast, issued in November 2006, after accounting for the acquisition. As per the Prospectus forecast, barring unforeseen circumstances, Hektar REIT will pay a DPU of 9.0 sen or 90% of its actual net income, whichever is higher.

For further information, please log on to www.bursamalaysia.com

ABOUT HEKTAR REIT

Hektar Real Estate Investment Trust ("Hektar REIT") is a retail-focused REIT in Malaysia, focused on investing and managing commercial retail properties. Hektar REIT was listed on the

Main Board of Bursa Malaysia Securities Berhad in December 2006 and currently owns under 1 million square feet of retail space in Subang Parade, Selangor and Mahkota Parade, Melaka, valued at RM559 million as at December 31, 2007. The primary objectives of Hektar REIT are to provide Unitholders with sustainable dividend income and to achieve long-term capital appreciation of the Trust.

Hektar REIT is managed by Hektar Asset Management Sdn Bhd (“The Manager”), a part 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

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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