
Hektar REIT Outperforms Expectations Again in Q2

High mall occupancies, New Strategic Partnership will accelerate Growth

Kuala Lumpur, 6 August 2007 – Supported by high occupancy rates at its two shopping malls, Hektar Asset Management Sdn Bhd, the manager of Hektar Real Estate Investment Trust (REIT), today reported another strong second quarter performance for the three-month period April–June 2007.

Gross revenue for the Second Quarter 2007 was RM18,602,360 while net property income was RM11,387,776. Net Income for the period was RM8,485,540, which translated to Earnings per Unit of 2.65 sen, 19.3% higher than the earnings forecast when the REIT was launched in December last year.

A Second Quarter Distribution Per Unit (DPU) of 2.4 sen, in line with Hektar REIT's quarterly dividend policy, is on target to achieve the annual forecast of 9.6 sen. Hektar REIT's First Quarter 2007 distribution was 2.4 sen. Based on the closing price of RM1.55 on 29 June 2007, the annualised distribution yield is 5.7 percent. The Book Closing Date is 21 August 2007 and the payment of the second quarter dividend of 2.4 sen will be made on 30 August 2007. As of 30 June 2007, the Net Asset Value per Unit is RM1.04, net of the provision of RM7,680,024 for the Second Quarter dividend distribution.

Hektar REIT's shopping mall portfolio continues to perform with near-full term occupancy of 96.9%, of which Subang Parade is 99.6% occupied and Mahkota Parade is 94.1% occupied.

The top ten tenants within the Hektar REIT portfolio contributed about 28 percent of the REIT's total monthly rental income for June 2007. Anchor tenant, Parkson occupies 26.9 percent of Hektar REIT's total Net Lettable Area, while contributing 12.2 percent of total monthly rental income. Parkson has options on its tenancy for up to nine years.

A major initiative during the second quarter was the announcement of a strategic partnership with Frasers Centrepoint Limited, in which its subsidiary, Frasers Centrepoint Trust (FCT) invested and currently owns 27% of Hektar REIT. FCT will play a key role in the growth of the REIT and Hektar Group.

Hektar Asset Management Chief Executive Officer, Dato' Jaafar Abdul Hamid said the high occupancy of the REIT's and the partnership with FCT had put Hektar REIT on a firmer financial footing and attracted greater recognition from global investors.

"Strategically, we are firmly positioned to continue to pursue our vision of owning well-performing malls, we have built a solid investor base with strong supporters of our growth strategy and we now have the means and the financial capability to accelerate our growth", he added.

Overview of Hektar REIT 2Q Results	Actual (RM)	Budget (RM)	Variance (%)
Gross Revenue	18,062,360	17,210,769	+ 4.9%
Direct Cost & Property Expenses	(6,674,584)	(6,631,846)	+ 0.6%
Net Property Income (NPI)	11,387,776	10,578,923	+ 7.6%
Net Income Per Unit (sen)	2.65	2.22	+ 19.3%
Distribution Per Unit (sen)	2.40	2.40	-

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

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

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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