
Hektar REIT First Quarter 2008 Net Property Income up 18.2%

Net Property Income Outperformed Budget by 18.2%

First Quarter DPU declared at 2.40 sen

Kuala Lumpur, May 5, 2008 – Hektar Asset Management Sdn Bhd (“the Manager”) announced today that Hektar Real Estate Investment Trust (“Hektar REIT”), recorded a first quarter net property income of RM12.0 million for the 3 months ended 31 March 2008. This is 18.2% higher than budget as per the initial public offering prospectus dated 15 November 2006.

Gross revenue for the period reached RM18.8 million, which was 10.0% above budget and net income (realised) was RM8.7 million, after trust expenses and interest. Overall, net income per unit was 2.73 sen, of which the Manager declared a first quarter Dividend Per Unit (DPU) of 2.40 sen. Based on the closing price of RM1.40 on 2 May 2008, this represents an annualised yield of 6.9%.

The Book Closing Date is 21 May 2008 and the payment of the quarterly dividend will be made on 3 June 2008.

Hektar REIT recently completed the acquisition of an integrated retail development in Muar, Johor for RM117.5 million, which was announced in February 2008 and closed on 30 April 2008 and will further contribute to FY2008 earnings. Turnover rent, a percentage rent based on retailer sales contributed RM0.42 million in FY2007 and was recorded in the first quarter of 2008.

Dato’ Jaafar Abdul Hamid, Chief Executive Officer of Hektar Asset Management Sdn Bhd, said, “We are pleased with our first quarter results continuing to exceed our budget. The solid operating performance plus the closing of our recent acquisition in Muar have led us to declare the first quarter’s dividend per unit at 2.4 sen.”

Hektar REIT's dividend policy is on a quarterly basis and aims to distribute 90% of the actual net income for FY2008.

Hektar Asset Management Sdn Bhd recently welcomed the addition of 2 new directors from Frasers Centrepoint Asset Management (Malaysia) Pte Ltd, a wholly-owned subsidiary of Frasers Centrepoint Limited, part of the Singapore-listed Fraser & Neave group; and a third independent director.

Frasers Centrepoint Trust, a REIT listed in Singapore and also part of the Fraser & Neave group, acquired a cornerstone 27% stake in Hektar REIT in June 2007 and recently raised its stake to 31% in April 2008.

Overview of Hektar REIT First Quarter 2008 Results 3 months ended 31 March 2008	Actual (RM '000)	Budget (RM '000)	Variance (%)
Gross Revenue	18,781	17,021	+ 10.3%
Direct Cost & Property Expenses	(6,763)	(6,851)	+ 1.3%
Net Property Income (NPI)	12,018	10,171	+ 18.2%
Interest Expense	(1,929)	(2,691)	+28.3%
Net Income – Realised	8,730	6,639	+ 31.5%
Net Income Per Unit – Realised (sen)	2.73	2.07	+ 31.5%
Distribution Per Unit (sen)	2.40		

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 1.1 million square feet of retail space in Selangor, Melaka and Johor, with assets valued in excess of RM700 million. The primary objectives of Hektar REIT are to provide unitholders with sustainable dividend income and to achieve long-term capital appreciation of the REIT.

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 visit www.HektarREIT.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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