
Hektar REIT First Quarter 2010 Earnings up 10% *First Quarter DPU declared at 2.50 sen* *Mahkota Parade Re-launched*

Kuala Lumpur, May 5, 2010 – Hektar Asset Management Sdn Bhd (“Hektar”) announced today that Hektar Real Estate Investment Trust (“Hektar REIT”) recorded a first quarter net income of RM10.0 million or 3.14 sen per unit for the 3 months period ended 31 March 2010 (“1Q 10”). This is up 10% over the preceding year quarter. Revenue reached RM23.0 million, which was up 5.7% over the preceding year quarter.

Hektar declared a first quarter dividend per unit (“DPU”) of 2.50 sen, which is up 4.2% over the preceding year quarter. The Book Closing Date is 21 May 2010 and the payment date is 7 June 2010. Based on the closing price of RM1.26 on 3 May 2010, this represents an annualised yield of 7.9%.

Hektar REIT’s Net Asset Value (“NAV”) was RM1.28 on 31 March 2010.

“The first quarter of 2010 has shown that our management of our portfolio remain on track to produce sustainable results for Hektar REIT”, commented Chief Executive Officer of Hektar Asset Management Sdn Bhd, Dato’ Jaafar Abdul Hamid.

“We are pleased with the continuous improvement in revenue and net income and subsequently, we have decided to raise the dividend per unit to 2.5 sen”, he added.

Portfolio Highlights

- Portfolio Occupancy at approximately 97.3%
- Approximately 78% of monthly rental income of REIT locked in for 2010
- Portion of land of Subang Parade acquired by government for LRT extension project
- Mahkota Parade Refurbishment completed and re-launched

Hektar REIT’s portfolio occupancy stood at approximately 97.3%, showing some improvement in Mahkota and Wetex Parade over the last quarter.

For the 2010, approximately 22% of monthly rental income is due for expiry, representing up to 19% of the Net Lettable Area of the portfolio. This implies that approximately 78% of monthly rental income for the REIT for 2010 is locked in by tenancy agreements.

On March 12, 2010, Hektar announced that the government had made a compulsory acquisition of a portion of the land at Subang Parade for the purpose of the extension of the LRT. The parcel measures 0.328 acres or approximately 3% of the total land area and Hektar REIT has been awarded compensation of RM4.155 million. At this time, AmTrustee, the trustee of Hektar REIT has filed for an appeal on the compensation.

Mahkota Parade's refurbishment, which commenced in July 2009 and conducted over three phases while the centre remained open, was completed last month.

The scope of the work included refurbishment of the flooring, ceiling, lighting, car park and other amenities throughout the shopping centre. The refurbishment was completed on time and on budget at RM30.4 million. The centre celebrates its sixteenth year of operation this year.

On 1 May 2010, the Re-launch of Mahkota Parade commenced, featuring a wide array of events including live performances, contests, retailer give-aways and other attraction.

The key event was the Fashion Walk, which featured more than 900 participants, raising RM35,000 for Yayasan Toh Puan Zarina. The event was graced by the TYT Yang di-Pertua Negeri Melaka.

"With the Re-launch of Mahkota Parade, we look towards maintain the centre's top position in Melaka", said Jaafar, "This is in line with our strategy is to ensure that our properties are the leading performers in their respective markets".

Overview of Hektar REIT Financial Results (unaudited)	1Q 2010 (3 months) (RM '000)	1Q 2009 (3 months) (RM '000)	Variance (%)
Gross Revenue	23,015	21,768	+ 5.7%
Direct Cost & Property Expenses	(8,886)	(8,280)	+7.3%
Net Property Income (NPI)	14,130	13,488	+4.8%
Net Income – Realised	10,037	9,126	+10.0%
Net Income Per Unit – Realised (sen)	3.14	2.85	+10.0%
Dividend Per Unit (DPU) (sen)	2.50	2.40	+4.2%

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 at RM720 million in December 2009. 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 (“Manager”), a 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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