
**Q2: Hektar Declares 2.60 sen DPU
Net Property Income up by 4.2% to RM14.7 million**

Kuala Lumpur, August 10, 2012 – Hektar Asset Management Sdn Bhd (“Hektar”) announced that Hektar Real Estate Investment Trust (“Hektar REIT”) recorded a positive realised net income of RM9.3 million or 2.90 sen per unit for the three months period ended 30 June 2012 (2Q12). Gross revenue for the second quarter reached RM24.3 million, up 4.5% from the previous year’s corresponding quarter 2Q11. Net Property Income (NPI) reached RM14.7 million, an increase of 4.2% over the corresponding 2Q11.

The first half 2012 gross revenue ended 30 June 2012 reached RM48.8 million, up 4.6% over the preceding year period. Net Income reached RM19.0 million, a slight reduction of 1.8% compared to the preceding year period. The portfolio’s improved gross revenue and NPI performance was negated by higher borrowing cost where interest rates have increased slightly during the period.

Hektar declared a second quarter dividend per unit (DPU) of 2.60 sen. The Book Closing Date is August 29, 2012 and the payment of the second quarter dividend will be made on September 18, 2012. Based on the closing price of RM1.38 on 29 June 2012, 2Q12 annualised DPU represented a dividend yield of approximately 7.5%.

“Our second quarter results reflect the stability of our geographically-diversified portfolio and our investment strategy of targeting neighbourhood malls in high-growth regions. Hektar REIT continues to place our priority in delivering a sustainable dividend per unit to our unitholders, whilst leveraging on our mall management expertise to further enhance the retail mix leading to optimisation of both occupancy and rental rates”, said Chief Executive Officer of Hektar Asset Management Sdn Bhd, Dato’ Jaafar Abdul Hamid.

“Rental reversions remain solid at 6% increase for the quarter, mainly supported by the continued improvement in rental performance recorded by our flagship mall Subang Parade and Wetex Parade post asset enhancement exercises completed in 2011. The first half 2012 combined visitor traffic of Subang Parade in Subang Jaya, Mahkota Parade in Melaka and Wetex Parade in Muar recorded an encouraging traffic growth of 45% as compared to the corresponding preceding year period. I’m optimistic that we could replicate this success at the Kedah Malls when we complete the proposed acquisition of the Kedah malls exercise in the third quarter of 2012.” continued Dato’ Jaafar.

Just recently, Hektar has obtained approval from its unitholders on its proposed acquisition of two prime shopping malls in Sungai Petani and Kulim, Kedah from third parties for a total sum of RM181, 000,000. The purchase prices of the two malls represent an overall discount

of 2.6% to their market values as reported by an independent valuer Messrs Khong and Jaafar Sdn Bhd. The two malls – Central Square in Sungai Petani and Landmark Central in Kulim – are leading malls in their respective areas with Landmark Central being the only modern retail mall in Kulim.

Overview of Hektar REIT Financial Results (unaudited)	2Q 2012 (3 months) (RM '000)	2Q 2011 (3 months) (RM '000)	Variance (%)
Gross Revenue	24,309	23,258	+4.5%
Direct Cost & Property Expenses	(9,588)	(9,130)	+5.0%
Net Property Income (NPI)	14,720	14,128	+4.2%
Net Income	9,278	9,402	-1.3%
Net Income Per Unit – Realised (sen)	2.90	2.94	-1.3%
Dividend Per Unit (DPU) (sen)	2.60	2.50	+4.0%

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 Market of Bursa Malaysia Securities Berhad and currently owns 1.1 million square feet of retail space in Selangor, Melaka and Johor, with assets valued at RM822 million in December 2011. 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.

For more information, please contact:

Hektar Asset Management Sdn Bhd
D1-U3-10, Solaris Dutamas 1
No1, Jalan Dutamas 1
50480 Kuala Lumpur
Malaysia

Tel: +6 03 6205 5570

Fax: +6 03 6205 5571

Web: www.HektarREIT.com