

Hektar REIT 1Q2014 Results

**Revenue up by 0.3%
1Q2014 DPU maintained at 2.60 sen**

Kuala Lumpur, May 6, 2014 – Hektar Asset Management Sdn Bhd (“Hektar”) announced the first quarter results for financial year 2014 of Hektar Real Estate Investment Trust (“Hektar REIT”), ended 31 March 2014 (1Q2014) with revenue recorded at RM30.2 million, up 0.3% from the previous year’s corresponding period. Net Property Income was reported at RM 17.6 million. Realised Net Income is lower at RM 10.5 million, down 5.4% when compared to 1Q2013. This was mainly due to the impact from the electricity tariff hike.

“The hike of about 17% in tariff rates coupled with increase in other operation cost such as minimum wages implementation has impacted our bottom-line by approximately 5%. We are experiencing a temporary flat performance as we are still in the midst of major asset enhancement initiatives (“AEI”) in our malls, namely, at Central Square and Mahkota Parade,” said Chief Executive Officer, Dato’ Jaafar Abdul Hamid.

“At Wetex Parade, our tenancy remixing exercise is bearing fruit with the entry of Popular Bookstore. Plans are also in place to improve the shopper circulation to the fourth floor by installing new escalators. These will all take place in Q4 2014,” he added.

Hektar REIT declared a first distribution per unit (DPU) of 2.60 sen, maintained with the distribution declared in the previous year’s corresponding quarter. The Book Closing Date is May 22, 2014 and the payment of the first quarter distribution will be made on June 9, 2014. Based on the closing price of RM1.51 on 31 March 2014, 1Q2014 annualised DPU represented a distribution yield of approximately 6.9%.

Hektar REIT maintains a distribution policy of at least 90% of distributable net income, which typically exclude items such as capital allowances and revenue arising from Financial Reporting Standards 117, an accounting standard adopted in FY2010.

Hektar REIT’s portfolio of shopping mall includes Subang Parade in Subang Jaya, Selangor, Mahkota Parade in Melaka, Wetex Parade in Muar, Johor, Central Square in Sungai Petani, Kedah and Landmark Central in Kulim, Kedah. The portfolio’s catchment serves a market size of 1.9 million shoppers. As at end FY2013, the portfolio had an average occupancy of 95.0% and recorded over 31.2 million shopper visits.

Overview of Hektar REIT Financial Results (unaudited)	1Q 2014 (3 months) (RM '000)	1Q 2013 (3 months) (RM '000)	Variance (%)
Gross Revenue	30,177	30,078	+ 0.3%
Direct Cost & Property Expenses	(12,574)	(11,703)	+7.4%
Net Property Income (NPI)	17,603	18,375	- 4.2%
Net Income – Realised	10,459	11,060	- 5.4%
Net Income	10,459	11,060	- 5.4%
Net Income Per Unit – Realised (sen)	2.61	2.76	- 5.4%
Dividend Per Unit (DPU) (sen)	2.60	2.60	-

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 on 4 December 2006 and currently owns 1.7 million square feet of retail space in Selangor, Melaka, Johor and Kedah with assets valued at RM1.05 billion in December 2013. 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”) and was formed 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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