

FOURTH QUARTER 2014 FINANCIAL RESULTS PRESENTATION

13 FEBRUARY 2015

HEKTAR ASSET MANAGEMENT SDN BHD



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The material that follows is a presentation of general background information about the activities of the Hektar REIT (including Hektar REIT's any other affiliates) as at the date of this Presentation.

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The past performance of Hektar REIT is not necessarily indicative of the future performance of Hektar REIT.

About Hektar

Hektar Real Estate Investment Trust (Hektar REIT) is Malaysia's first retail-focused REIT. Hektar REIT's principal objective is to provide its Unitholders with a defensible income distribution and to enhance the long-term value of the fund. Hektar REIT invests in income-producing real estate primarily used for retail purposes.

Hektar REIT's portfolio mainly consists of quality shopping centres situated in Subang Jaya, Bandar Melaka, Muar, Sungai Petani and Kulim. Hektar REIT was listed on the Main Board of Bursa Malaysia Securities Berhad on 4 December 2006. The REIT's cornerstone investor is Frasers Centrepoint Trust, part of the Fraser & Neave Group, headquartered in Singapore. Hektar REIT is managed by Hektar Asset Management Sdn. Bhd.

For more information, please refer to the back page of this Presentation for Contact Information.

This Presentation should be read in conjunction with the Quarterly Report Announcement as reported on Bursa Malaysia.

Financial Summary

Fourth Quarter FY 2014

1 October 2014 – 31 December 2014

Commentary

- 4Q2014 Interim Distribution Per Unit: 2.7 sen
- Reduction in Realised Net Income due to tariff hike and AEI.

Operational & Financial Performance Fourth Quarter)

- Portfolio Occupancy: ~ 94.3%
- Rent Reversions: ~ 0.6%
- Net Income per Unit (Realised) 2.86 sen
vs. previous comparable period/quarter¹: -12.9%
- Distribution per Unit (DPU) 2.70 sen
vs. previous comparable period¹: maintained

¹ 4Q13 Net Income per unit: 3.28 sen

Distribution and Yield

4Q14 DPU:	2.7 sen
4Q13 DPU:	2.7 sen
DPU Yield ² :	7.0%

² Based on total annualized declared DPU of 2.70 sen for 4Q14 and closing price of RM1.49 on 31 Dec 2014.

Distribution Details

Hektar REIT Annual DPU Positive Growth Since IPO

Current Distribution Details

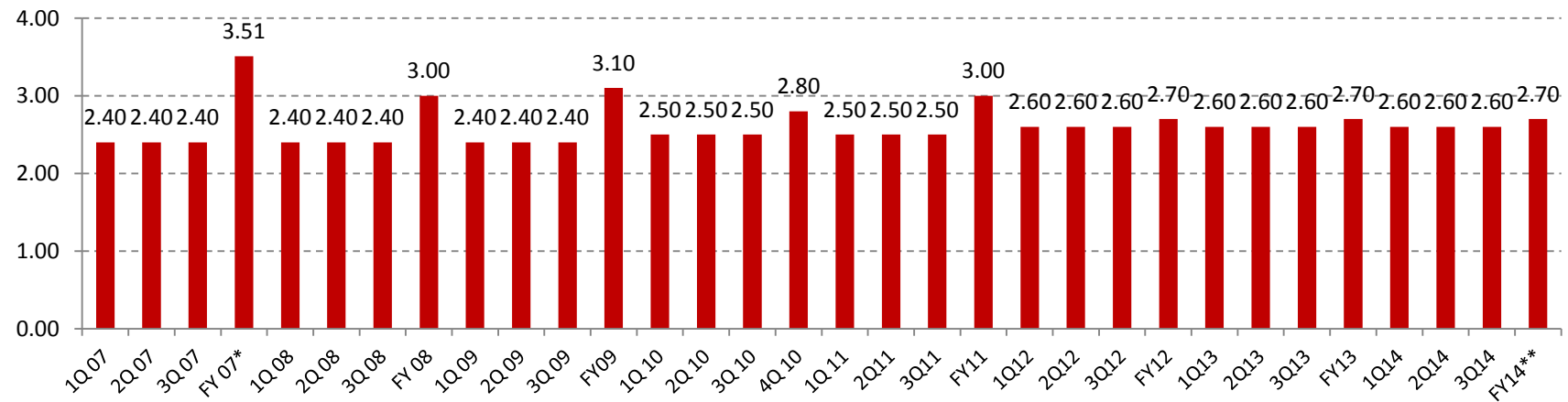
Forth Quarter 2014

- Distribution Period: 1 Oct 2014 – 31 Dec 2014
- Quarterly DPU: 2.7 sen
- Notice of Entitlement: 14 February 2015
- Ex-Dividend Date: 3 March 2015
- Book Closure Date: 5 March 2015
- Payment Date: 20 March 2015

Hektar REIT Distribution Policy

Barring unforeseen circumstances, Hektar REIT will pay distributions equivalent to at least 90% of distributable net income for the financial year 2013. Distributable net income excludes non-cash items such as FRS117 revenue recognition and capital allowances.

Distribution Track Record



* FY 07 represented a 13 month period from December 2006 to 31 December 2007 ** Declared

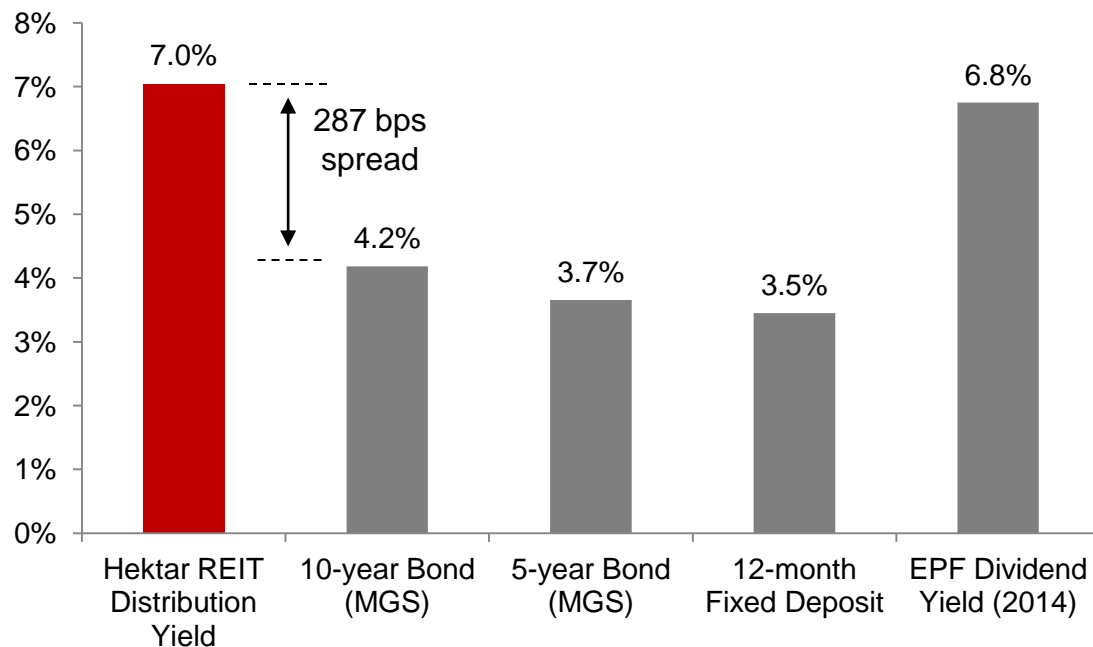


Comparative Yields - Malaysia

Hektar REIT Distribution Yield at approximately 7.0%

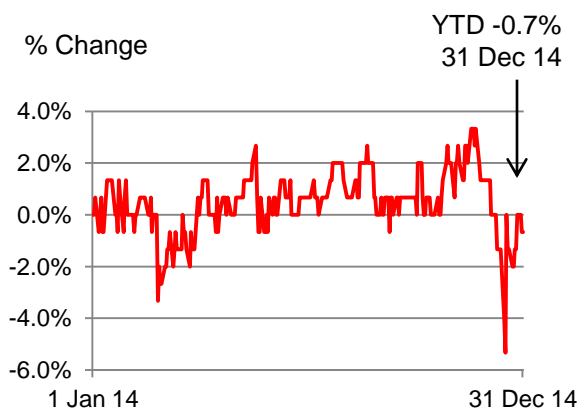
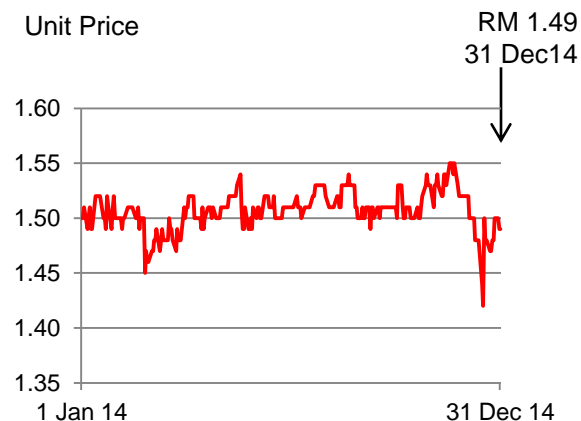
- Traded at a 287 bps spread over MGS 10-year
- Unit Price decreased by 0.7% since beginning of the year

Hektar REIT Comparative Yields



Sources: Bloomberg (31 Dec 2014), EPF (Feb 2014), BNM (22 Jan 2015), RHB (18 Jul 2014). Hektar REIT's yield based on closing price of RM1.49 on 31 December 2014 and Declared DPU of 10.50 sen.

Hektar REIT Unit Price Change 4Q2014 (12 months)



Portfolio Performance

- Overall Occupancy at ~94.3% ►
- Rental Reversions +1% for 4Q14 ►
- Tenancy Expiry Profile ►
- 47% of Portfolio Tenancy Rental Income Expires in 2015 ►

Hektar REIT Portfolio - Occupancy

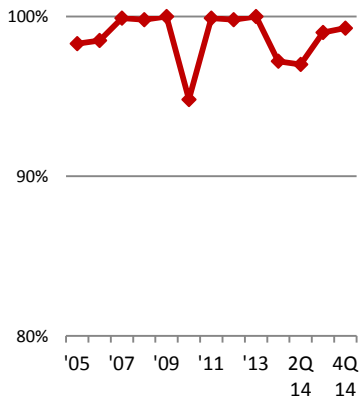
Overall Portfolio Occupancy at ~94.3%

Hektar REIT Portfolio Occupancy

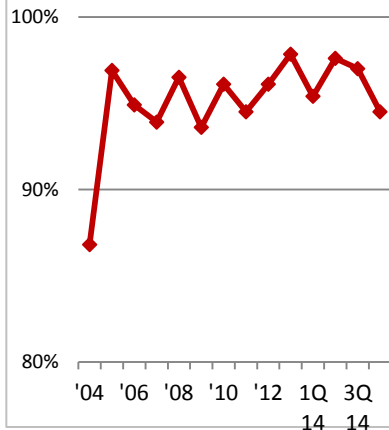
Property	As at 31 Dec 2004	As at 31 Dec 2005	As at 30 Sep 2006	As at 31 Dec 2007	As at 31 Dec 2008	As at 31 Dec 2009	As at 31 Dec 2010	As at 31 Dec 2011	As at 31 Dec 2012	As at 31 Dec 2013	As at 31 Mar 2014	As at 30 Jun 2014	As at 30 Sep 2014	As at 31 Dec 2014
Subang Parade	93.4%	98.3%	98.5%	99.9%	99.8%	100.0%	94.8%	99.9%	99.8%	100.0%	97.2%	97.0%	99.0%	99.3%
Mahkota Parade	86.8%	96.9%	94.9%	93.9%	96.5%	93.6%	96.1%	94.5%	96.1%	97.8%	95.4%	97.6%	97.0%	94.5%
Wetex Parade					83.1%	90.1%	95.6%	98.6%	97.8%	96.8%	96.3%	95.7%	98.0%	98.3%
Central Square									89.8%	82.5%	84.9%	84.0%	80.0%	80.5%
Landmark Central									96.9%	93.7%	94.4%	94.7%	96.0%	97.8%
Overall*	91.3%	97.6%	96.7%	96.9%	95.8%	95.8%	95.5%	97.5%	96.3%	96.3%	94.0%	94.4%	94.5%	94.3%

*Approximate average, weighted by Net Lettable Area.

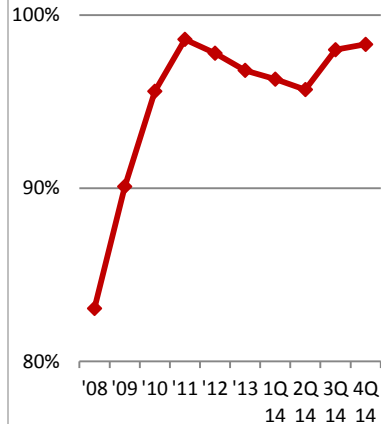
Subang Parade
Occupancy (%)



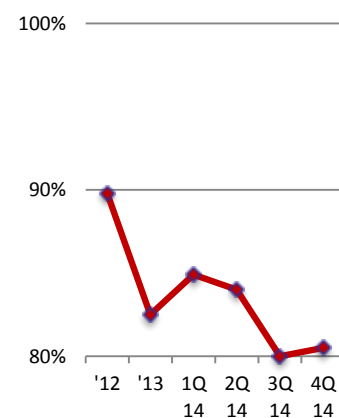
Mahkota Parade
Occupancy (%)



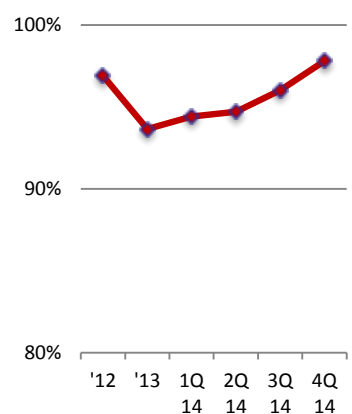
Wetex Parade
Occupancy (%)



Central Square
Occupancy (%)



Landmark Central
Occupancy (%)



Hektar REIT Portfolio – Rental Reversions

Rental Reversions +1.0% for 4Q 2014

- High reversion rates at Central Square as AEI progresses

Hektar REIT Rental Reversions: Quarter

Fourth Quarter (3 months) (Ended 31 December)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	Increase / (Decrease) Over Previous Rent Rates	%
Subang Parade	15	30,308	6%	-1%	-1%
Mahkota Parade	9	23,216	5%	-11%	-11%
Wetex Parade	8	13,319	8.4%	9%	9%
Central Square	8	18,175	6%	16%	16%
Landmark Central	4	3,488	1%	9%	9%
Total / Average*	44	88,506	5%	1%	1%

*Average Weighted by NLA.

NLA = Net Lettable Area

Negative reversion
due to OFO Overrun
Factory Outlet (Long
Vacant Lot)

Hektar REIT Rental Reversions: Year-To-Date

Full Year (12 months) (Ended 31 December)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	Increase / (Decrease) Over Previous Rent Rates	%
Subang Parade	63	169,643	34%	5%	5%
Mahkota Parade	29	200,532	41%	1%	1%
Wetex Parade	16	103,516	65%	7%	7%
Central Square	8	59,977	20%	37%	37%
Landmark Central	4	23,058	8%	16%	16%
Total / Average*	120	556,726	32%	6%	6%

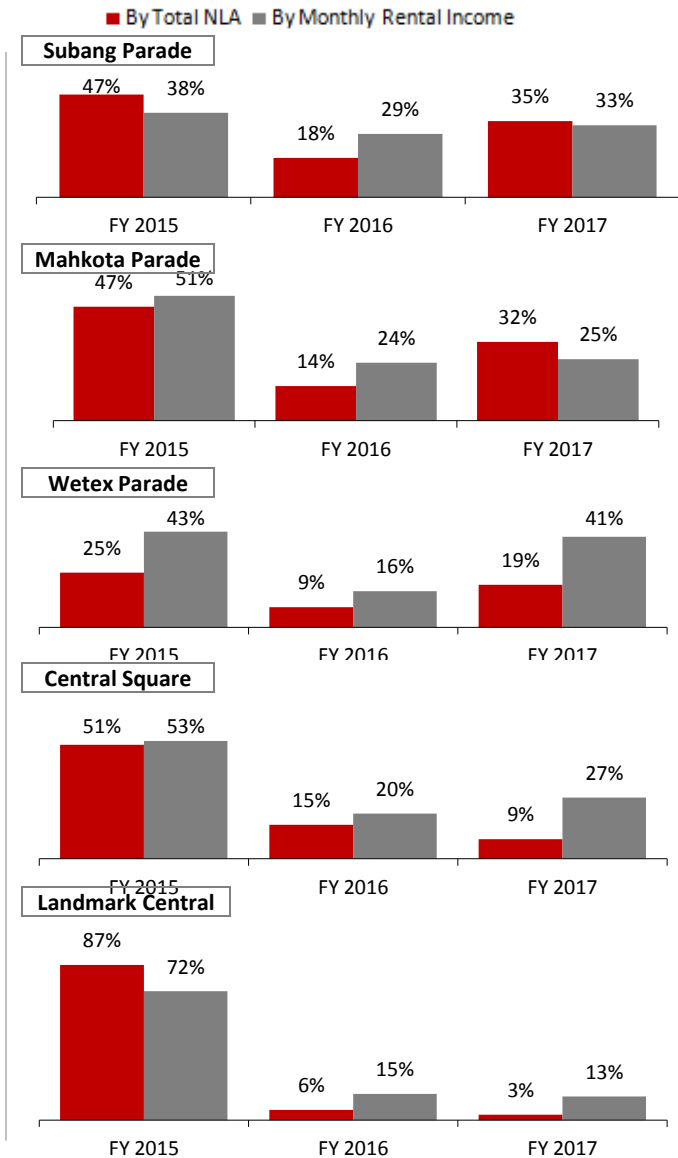
*Average Weighted by NLA.

NLA = Net Lettable Area

Hektar REIT Tenancy Expiry Profile by Property as at 31 December 2014

For Year Ending 31 December	No. of Tenancies Expiring	NLA of Tenancies Expiring (sq ft)	NLA of Tenancies Expiring as % of Total NLA	% of Total Monthly Rental Income*
Subang Parade				
FY 2015	43	235,584	47%	38%
FY 2016	48	90,714	18%	29%
FY 2017	46	174,687	35%	33%
Mahkota Parade				
FY 2015	47	226,075	47%	51%
FY 2016	36	68,797	14%	24%
FY 2017	17	162,592	32%	25%
Wetex Parade				
FY 2015	45	38,992	25%	43%
FY 2016	18	14,455	9%	16%
FY 2017	3	96,902	19%	41%
Central Square				
FY 2015	19	154,353	51%	53%
FY 2016	12	45,765	15%	20%
FY 2017	28	43,906	9%	27%
Landmark Central				
FY 2015	37	244,836	87%	72%
FY 2016	15	15,755	6%	15%
FY 2017	16	14,597	3%	13%

*Based on monthly rental income for Dec 2014. Figures may not round to 100% due to misc. items



Hektar REIT Portfolio – Tenancy Expiry Profile

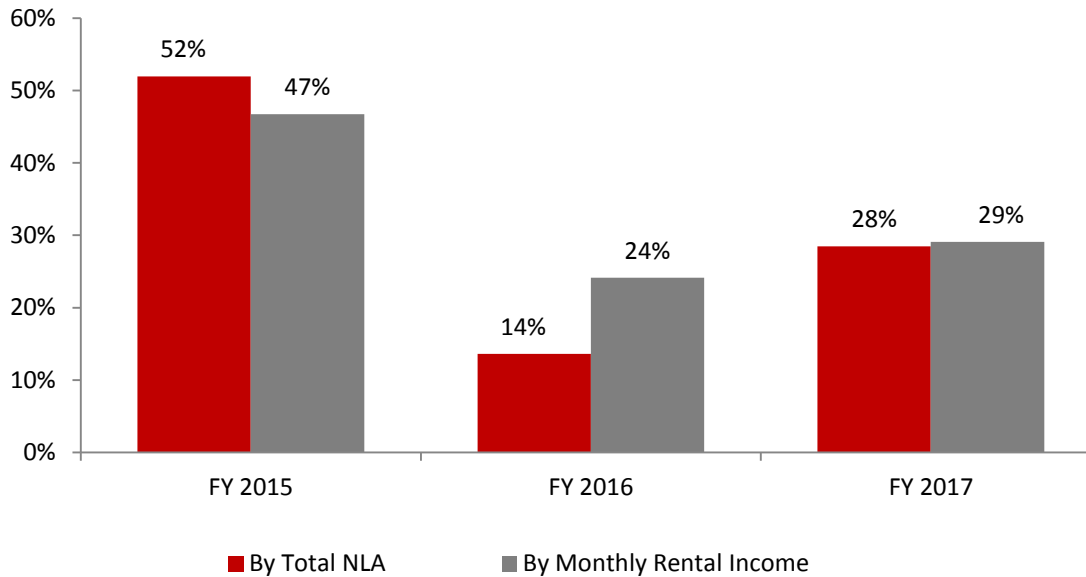
Tenancy Portfolio Expiry Profile 2015 – 2017

- FY2015 - 191 tenancy expiries account for approximately 47% of monthly rental income*

Hektar REIT Tenancy Expiry Profile – Overall Portfolio

As at 31 December 2014

Portfolio For Year Ending 31 December	No. of Tenancies Expiring	NLA of Tenancies Expiring (sq ft)	NLA of Tenancies Expiring as % of Total NLA	% of Total Monthly Rental Income*
FY 2015	191	899,840	52%	47%
FY 2016	129	235,486	14%	24%
FY 2017	110	492,684	28%	29%



* Based on monthly rental income for December 2014. NLA = Net Lettable Area

Financial Results

- 4Q2014 Gross Revenue up 1.3%; NPI down 5.9% from preceding year ►
- 4Q2014 Net Income (Realised) down 12.9% from preceding year ►
- Hektar REIT Average Cost of Debt at 4.8% ►

Income Statement – Quarter Comparative

4Q2014 Net Income (Realised) down 12.9% vs corresponding quarter 4Q2013

Income Statement Fourth Quarter 2014 (Unaudited)	4Q14 (RM '000)	4Q13 (RM '000)	Variance (%)
Revenue	30,828	30,431	+ 1.3%
Direct Cost & Property Expenses	(11,970)	(10,384)	+ 15.3%
Net Property Income (NPI)	18,858	20,048	- 5.9%
Interest & Other Income	184	225	- 18.2%
Total Income	19,042	20,272	- 6.1%
Trust Fees & Expenses	(2,516)	(2,365)	+ 6.4%
Interest Expense	(5,076)	(4,755)	+ 6.8%
Fair Value Adjustment of Investment Properties	6,126	12,632	- 51.5%
Net Income Before Tax	17,576	25,784	- 31.8%
Net Income per Unit (sen)	4.39	6.44	- 31.8%
- realised	2.86	3.28	- 12.9%

Note: With effect from 1 January 2010, revenue is now reported following implementation of FRS 117, which recognises rental income on an averaged basis over the term of tenancy; step-up rent in future periods is averaged and reported proportionately in the present period, while turnover rent is recognised in each accounting period on a receipt basis.

Income Statement – Year-To-Date Comparative

For Period 1 January – 31 December 2014
(versus previous comparable period)

Income Statement Year-To-Date (Unaudited)	1Y14 (RM '000)	1Y13 (RM '000)	Variance (%)
Revenue	121,991	120,235	+ 1.5%
Direct Cost & Property Expenses	(48,714)	(46,120)	+ 5.6%
Net Property Income (NPI)	<u>73,277</u>	<u>74,115</u>	- 1.13%
Interest & Other Income	403	844	- 52.3%
Total Income	<u>73,679</u>	<u>74,959</u>	- 1.71%
Trust Fees & Expenses	(9,805)	(9,897)	- .9%
Interest Expense	(19,613)	(18,928)	+ 3.6%
Fair Value Adjustment of Investment Properties	6,126	12,632	- 51.5%
Net Income Before Tax	<u><u>50,387</u></u>	<u><u>58,766</u></u>	- 14.3%
Net Income per Unit (sen)	<u>12.58</u>	<u>14.67</u>	- 14.3%
- realised	<u>11.05</u>	<u>11.52</u>	- 4.1%

Note: With effect from 1 January 2010, revenue is now reported following implementation of FRS 117, which recognises rental income on an averaged basis over the term of tenancy; step-up rent in future periods is averaged and reported proportionately in the present period, while turnover rent is recognised in each accounting period on a receipt basis. FRS117 rental income for FY2011 was RM1.12 million (FY2010: RM1.37 million). Barring unforeseen circumstances, Hektar REIT will pay dividends equivalent to at least 90% of distributable net income for the financial year 2010. Distributable net income excludes non-cash items such as FRS117 revenue recognition and capital allowances.

Hektar REIT's Balance Sheet for 4Q2014

Balance Sheet (Unaudited)	As at 30.12.2014 (RM '000)	As at 31.12.2013 (RM '000)
Non-Current Assets		
Investment Properties	1,060,732	1,047,280
Capital Work in Progress	21,679	1,740
Fixed Deposit with a licensed bank	4,408	4,227
	1,086,819	1,053,247
Current Assets		
Trade Receivables	2,884	3,077
Other Receivables, Deposits, Prepayments	5,604	5,495
Cash and Bank Balances	14,739	23,284
	1,110,046	1,085,103
TOTAL ASSETS		
Long Term Liabilities		
Tenancy Deposits	14,074	13,889
Borrowings	453,876	436,100
	467,950	449,989
Current Liabilities		
Trade Payables	384	2,657
Other Payables and Accruals	5,054	5,045
Tenancy Deposits	14,973	14,047
Borrowings		
	488,362	471,739
TOTAL LIABILITIES		
NET ASSET VALUE		
	621,684	613,364
Unitholders' Capital	425,738	425,738
Retained Earnings - realised	41,370	39,176
Retained Earnings - unrealised	154,576	148,450
	621,684	613,364
TOTAL UNITHOLDERS' FUND		

Unit Price Statistics

As at 31 Dec 2014

No. of Units Outstanding

400,634,117

Net Asset Value (RM)

1.5518

Unit Price (RM)

1.49

Premium / (Discount) to NAV

(4.0%)

Debt Profile

Debt Profile for 4Q 2014

Debt Information

As at 31 December 2014

- Total Debt: **RM453 million**
- Weighted Cost of Debt: **4.8%**
- Gearing Ratio¹: **40.9%**
- Interest Cover²: **4.46**

¹ Gearing ratio calculated by total long term liabilities over Gross Asset Value (GAV).

² Based on quarter ended 31 December 2014

Financing Details

Al-Murabahah / OD

Fixed Term Loan, Annual Floating Rate with Partial Hedging

Structure: Cost of Funds + 0.75%

Tranche 1

- Term: 5 Years, Expiring 2016
- Pledged: Subang Parade
- Facility Size: RM184 million
- Drawdown: Fully Drawn
- Cost: 4.85%
- Refinancing: December 2016

Tranche 2

- Term: 5 Years, Expiring 2017
- Pledged: Mahkota Parade
- Facility Size: RM150 million
- Drawdown: Fully Drawn
- Cost: 4.90%
- Refinancing: April 2017

Tranche 3

- Term: 5 Years, Expiring 2016
- Pledged: Mahkota Parade
- Facility Size: RM15 million
- Drawdown: Fully Drawn
- Cost: 4.30%
- Refinancing: January 2016

Tranche 4

- Term: 5 Years, Expiring 2016/17
- Pledged: Wetex Parade
- Facility Size: RM87.1 million
- Drawdown: Fully Drawn
- Cost: 4.58%
- Refinancing: December 2016 & October 2017

Tranche 5

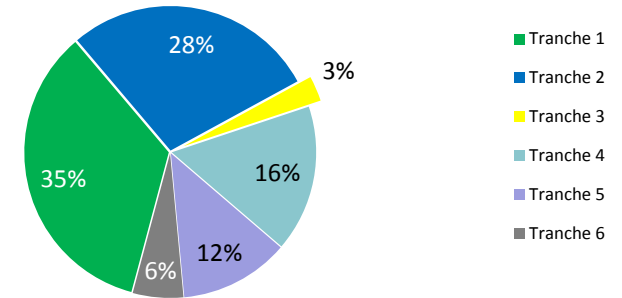
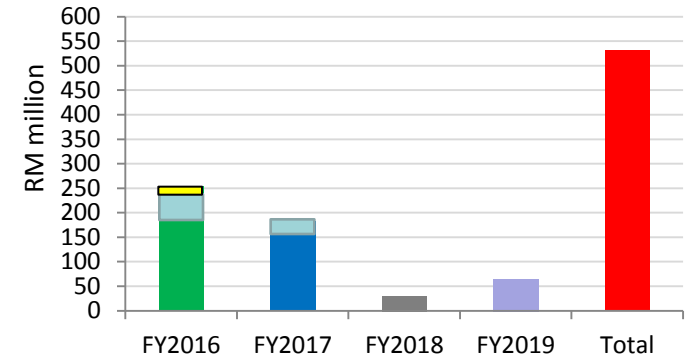
- Term: 5 Years, Expiring 2019
- Pledged: Landmark Central
- Facility Size: RM65 million
- Drawdown: Partially Drawn
- Cost: 4.58%
- Refinancing: February 2019

Tranche 6

- Term: 5 Years, Expiring 2018
- Pledged: Mahkota Parade
- Facility Size: RM30 million
- Drawdown: Partially Drawn
- Cost: 4.58%
- Refinancing: December 2018

Debt Expiry Profile

As at 31 December 2014



“Creating The Places Where People Love To Shop”

Investor Relations
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