

FIRST QUARTER 2015 FINANCIAL RESULTS PRESENTATION

15 MAY 2015

HEKTAR ASSET MANAGEMENT SDN BHD

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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.

First Quarter FY 2015

1 January 2015 – 31 March 2015

Commentary

- 1Q2015 Interim Distribution Per Unit: 2.6 sen
- Improve in performance with the completion of AEI at Central Square

Operational & Financial Performance First Quarter)

- Portfolio Occupancy: ~ 95.1%
- Rent Reversions: ~ 6.6%
- Net Income per Unit (Realised)
vs. previous comparable period/quarter¹: **2.77 sen**
+6.1%
- Distribution per Unit (DPU)
vs. previous comparable period¹: **2.60 sen**
maintained

¹ 1Q14 Net Income per unit: 2.61 sen

Distribution and Yield

1Q15 DPU:	2.6 sen
1Q14 DPU:	2.6 sen
DPU Yield ² :	6.9%

² Based on total annualized declared DPU of 2.60 sen for 1Q15 and closing price of RM1.51 on 31 Mar 2015.

Distribution Details

Hektar REIT Annual DPU Positive Growth Since IPO

Current Distribution Details

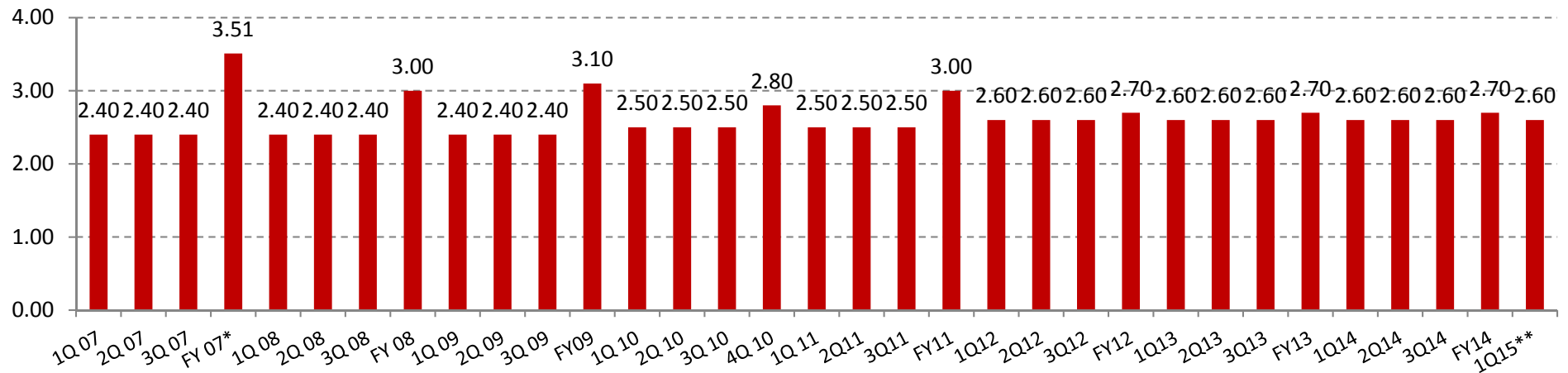
First Quarter 2015

- Distribution Period: 1 Jan 2015 – 31 Mar 2015
- Quarterly DPU: 2.6 sen
- Notice of Entitlement: 15 May 2015
- Ex-Dividend Date: 1 June 2015
- Book Closure Date: 3 June 2015
- Payment Date: 17 June 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

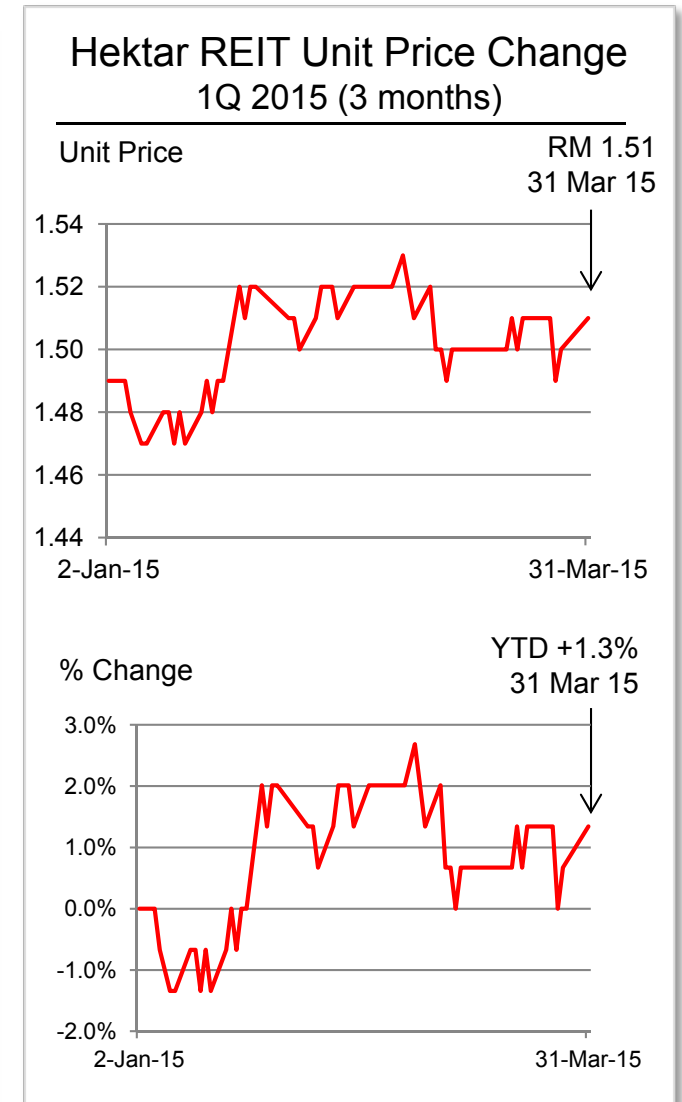
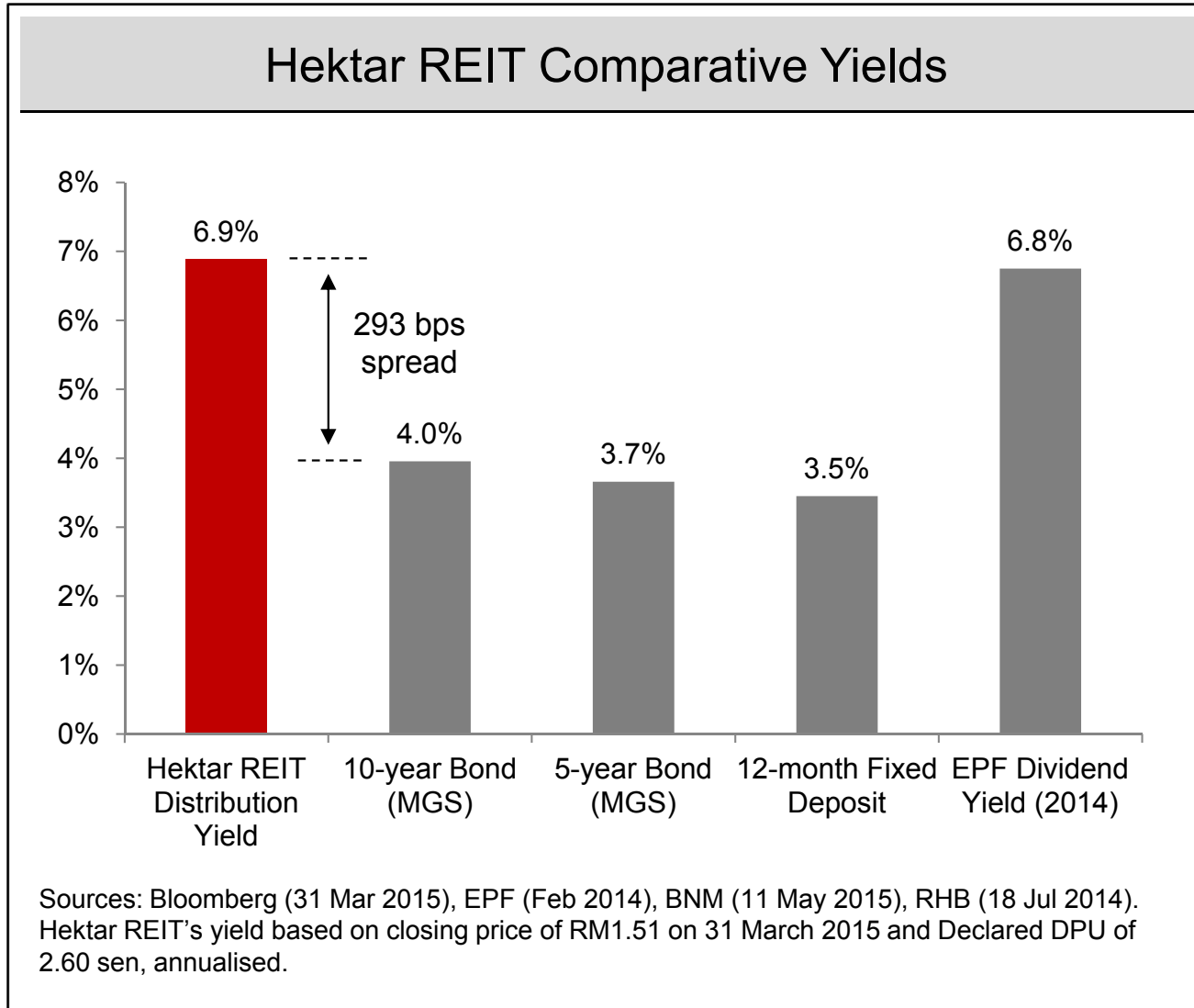


* FY 07 represented a 13 month period from December 2006 to 31 December 2007 ** Declared

Comparative Yields - Malaysia

Hektar REIT Distribution Yield at approximately 6.9%

- Traded at a 293 bps spread over MGS 10-year
- Unit Price increased by 1.3% since beginning of the year



Portfolio Performance

- Overall Occupancy at ~95.1% ▶
- Rental Reversions +7% for 1Q15 ▶
- Tenancy Expiry Profile ▶
- 40% of Portfolio Tenancy Rental Income Expires in 2015 ▶

Hektar REIT Portfolio - Occupancy

Overall Portfolio Occupancy at ~95.1%

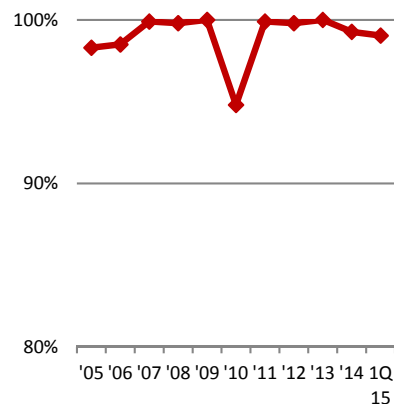
Occupancy rate at Central Square improves as AEI completes

Hektar REIT Portfolio Occupancy

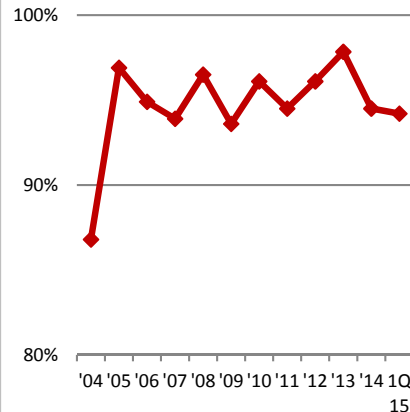
Property	As at 31 Dec 2004	As at 31 Dec 2005	As at 30 Sep 2006	As at 31 Dec 2007	As at 31 Dec 2008	As at 31 Dec 2009	As at 31 Dec 2010	As at 31 Dec 2011	As at 31 Dec 2012	As at 31 Dec 2013	As at 31 Dec 2014	As at 31 Mar 2015
Subang Parade	93.4%	98.3%	98.5%	99.9%	99.8%	100.0%	94.8%	99.9%	99.8%	100.0%	99.3%	99.0%
Mahkota Parade	86.8%	96.9%	94.9%	93.9%	96.5%	93.6%	96.1%	94.5%	96.1%	97.8%	94.5%	94.2%
Wetex Parade					83.1%	90.1%	95.6%	98.6%	97.8%	96.8%	98.3%	97.9%
Central Square									89.8%	82.5%	80.5%	86.3%
Landmark Central									96.9%	93.7%	97.8%	97.6%
Overall*	91.3%	97.6%	96.7%	96.9%	95.8%	95.8%	95.5%	97.5%	96.3%	96.3%	94.3%	95.1%

*Approximate average, weighted by Net Lettable Area.

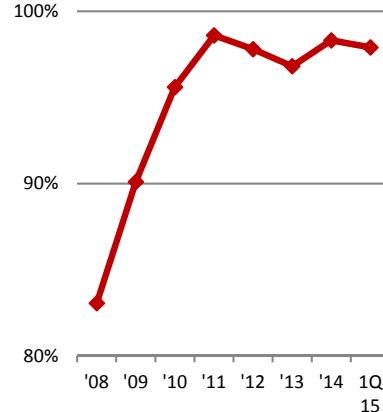
Subang Parade
Occupancy (%)



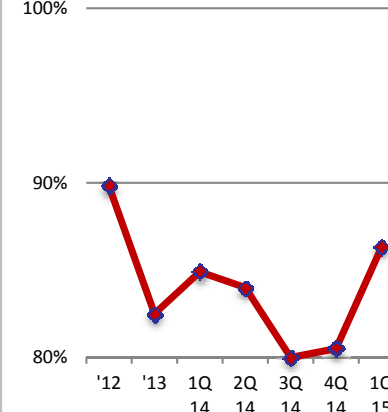
Mahkota Parade
Occupancy (%)



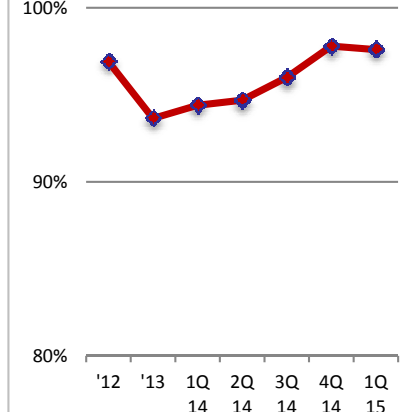
Wetex Parade
Occupancy (%)



Central Square
Occupancy (%)



Landmark Central
Occupancy (%)



Hektar REIT Portfolio – Rental Reversions

Rental Reversions +6.6% for 1Q 2015

- Central Square continues to record high reversion rates with completion of AEI

Hektar REIT Rental Reversions: Quarter

First Quarter (3 months) (Ended 31 March)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	Increase / (Decrease) Over Previous Rent Rates	%
Subang Parade	6	9,701	2%		8%
Mahkota Parade	5	11,196	2%		6%
Wetex Parade	15	14,491	9%		2%
Central Square	9	28,230	9.0%		22%
Landmark Central	0	-	0.0%		0%
Total / Average*	35	63,618	4%		7%

*Average Weighted by NLA.

NLA = Net Lettable Area

Central Square :
High reversion from
new tenants like YES,
OPPO, HKV and
Panbowling

Landmark Central :
No renewal / new
tenancy for this
quarter.

Hektar REIT Rental Reversions: Year-To-Date

First Quarter (3 months) (Ended 31 March)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	Increase / (Decrease) Over Previous Rent Rates	%
Subang Parade	6	9,701	2%		8%
Mahkota Parade	5	11,196	2%		6%
Wetex Parade	15	14,491	9%		2%
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Total / Average*	35	63,618	4%		7%

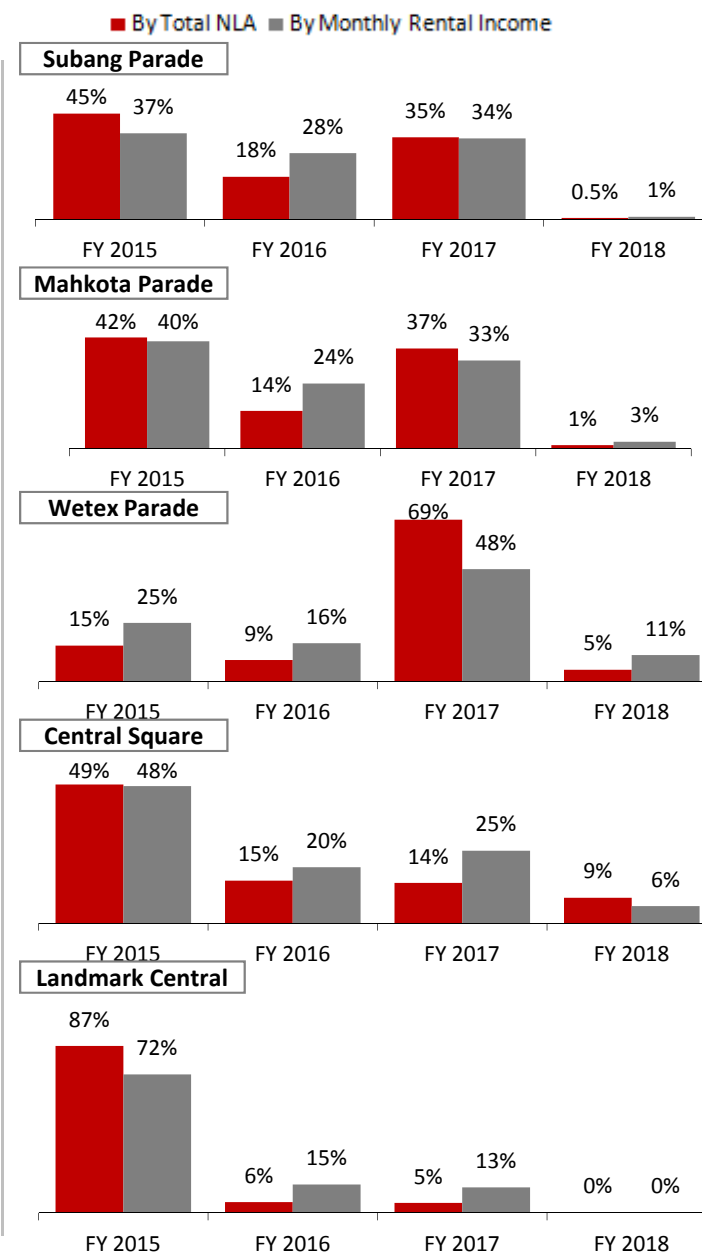
*Average Weighted by NLA.

NLA = Net Lettable Area

Hektar REIT Tenancy Expiry Profile by Property as at 31 March 2015

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	41	227,031	45%	37%
FY 2016	48	90,714	18%	28%
FY 2017	47	175,953	35%	34%
FY 2018	1	2,354	0.5%	1%
Mahkota Parade				
FY 2015	56	201,429	42%	40%
FY 2016	41	68,366	14%	24%
FY 2017	38	181,444	37%	33%
FY 2018	4	6,274	1%	3%
Wetex Parade				
FY 2015	29	24,124	15%	25%
FY 2016	18	14,455	9%	16%
FY 2017	17	108,566	69%	48%
FY 2018	10	7,847	5%	11%
Central Square				
FY 2015	16	152,493	49%	48%
FY 2016	13	46,571	15%	20%
FY 2017	27	44,166	14%	25%
FY 2018	5	27,796	9%	6%
Landmark Central				
FY 2015	42	244,147	87%	72%
FY 2016	15	15,755	6%	15%
FY 2017	16	14,597	5%	13%
FY 2018	-	-	-	-

*Based on monthly rental income for Mar 2015. Figures may not round to 100% due to misc. items



Hektar REIT Portfolio – Tenancy Expiry Profile

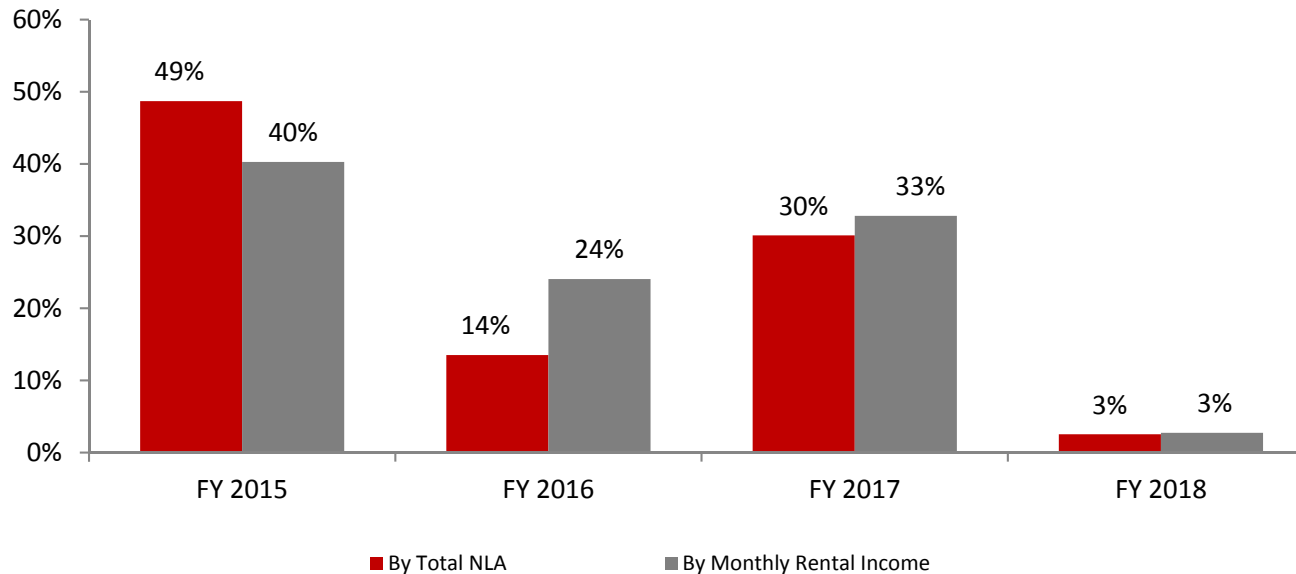
Tenancy Portfolio Expiry Profile 2015 – 2018

- FY2015 - 184 tenancy expiries account for approximately 40% of monthly rental income*

Hektar REIT Tenancy Expiry Profile – Overall Portfolio

As at 31 March 2015

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	184	849,224	49%	40%
FY 2016	135	235,861	14%	24%
FY 2017	145	524,726	30%	33%
FY 2018	20	44,271	3%	3%



* Based on monthly rental income for March 2015. NLA = Net Lettable Area

Financial Results

1Q2015 Gross Revenue up 3.4%; NPI up 5.8% from preceding year ►

1Q2015 Net Income (Realised) up 6.1% from preceding year ►

Hektar REIT Average Cost of Debt at 4.8% ►

Income Statement – Quarter Comparative

1Q2015 Net Income (Realised) up 6.1% vs corresponding quarter 1Q2014

Income Statement First Quarter 2015 (Unaudited)	1Q15 (RM '000)	1Q14 (RM '000)	Variance (%)
Revenue	31,211	30,177	+ 3.4%
Direct Cost & Property Expenses	(12,590)	(12,574)	+ 0.1%
Net Property Income (NPI)	18,621	17,603	+ 5.8%
Interest & Other Income	69	74	- 6.5%
Total Income	18,690	17,677	+ 5.7%
Trust Fees & Expenses	(2,468)	(2,454)	+ 0.6%
Interest Expense	(5,129)	(4,764)	+ 7.7%
Fair Value Adjustment of Investment Properties			
Net Income Before Tax	11,093	10,459	+ 6.1%
Net Income per Unit (sen)	2.77	2.61	+ 6.1%
- realised	2.77	2.61	+ 6.1%

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.

Income Statement – Year-To-Date Comparative

For Period 1 January – 31 March 2015
(versus previous comparable period)

Income Statement Year-To-Date (Unaudited)	1Q15 (RM '000)	1Q14 (RM '000)	Variance (%)
Revenue	31,211	30,177	+ 3.4%
Direct Cost & Property Expenses	(12,590)	(12,574)	+ .1%
Net Property Income (NPI)	<u>18,621</u>	<u>17,603</u>	<u>+ 5.78%</u>
Interest & Other Income	69	74	- 6.5%
Total Income	<u>18,690</u>	<u>17,677</u>	<u>+ 5.73%</u>
Trust Fees & Expenses	(2,468)	(2,454)	+ .6%
Interest Expense	(5,129)	(4,764)	+ 7.7%
Fair Value Adjustment of Investment Properties			
Net Income Before Tax	<u><u>11,093</u></u>	<u><u>10,459</u></u>	<u><u>+ 6.1%</u></u>
Net Income per Unit (sen)	<u>2.77</u>	<u>2.61</u>	<u>+ 6.1%</u>
- realised	<u>2.77</u>	<u>2.61</u>	<u>+ 6.1%</u>

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 1Q2015

Balance Sheet (Unaudited)	As at 31.03.2015 (RM '000)	As at 31.12.2014 (RM '000)
Non-Current Assets		
Investment Properties	1,060,732	1,060,732
Capital Work in Progress	33,149	21,679
Fixed Deposit with a licensed bank	4,422	4,408
	<u>1,098,303</u>	<u>1,086,819</u>
Current Assets		
Trade Receivables	3,333	2,884
Other Receivables, Deposits, Prepayments	6,224	5,604
Cash and Bank Balances	15,783	14,739
	<u>1,123,644</u>	<u>1,110,046</u>
TOTAL ASSETS		
Long Term Liabilities		
Tenancy Deposits	15,912	14,074
Borrowings	452,072	453,876
	<u>467,984</u>	<u>467,950</u>
Current Liabilities		
Trade Payables	2,511	384
Other Payables and Accruals	2,974	5,054
Tenancy Deposits	13,215	14,973
Borrowings	15,000	
	<u>501,684</u>	<u>488,362</u>
TOTAL LIABILITIES		
NET ASSET VALUE		
	<u>621,960</u>	<u>621,684</u>
Unitholders' Capital	425,738	425,738
Retained Earnings - realised	41,646	41,370
Retained Earnings - unrealised	154,576	154,576
	<u>621,960</u>	<u>621,684</u>
TOTAL UNITHOLDERS' FUND		

Unit Price Statistics

As at 31 Mar 2015

No. of Units Outstanding

400,634,117

Net Asset Value (RM)

1.5524

Unit Price (RM)

1.51

Premium / (Discount) to NAV

(2.7%)

Debt Profile

Debt Profile for 1Q 2015

Debt Information

As at 31 March 2015

- Total Debt: **RM467 million**
- Weighted Cost of Debt: **4.8%**
- Gearing Ratio¹: **41.6%**
- Interest Cover²: **3.16**

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

² Based on quarter ended 31 March 2015

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

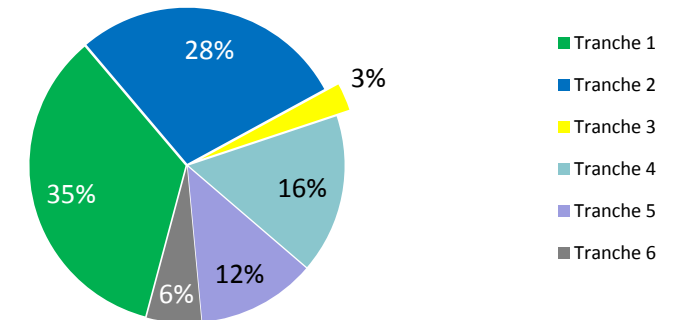
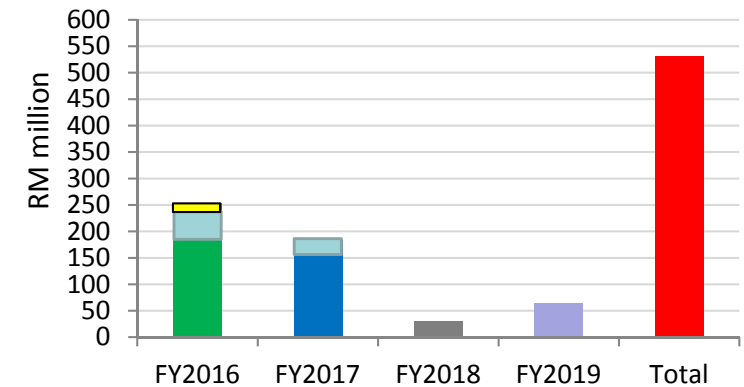
- Term: 5 Years, Expiring 2019
- Pledged: Landmark Central
- Facility Size: RM65 million
- Drawdown: Partially Drawn
- Cost: 4.58%
- Refinancing: February 2019

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 March 2015



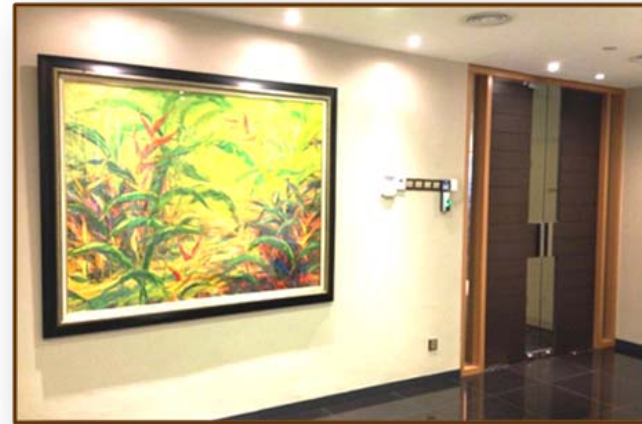
“Creating The Places Where People Love To Shop”

Investor Relations
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