

FOURTH QUARTER 2015 FINANCIAL RESULTS PRESENTATION

16 FEBRUARY 2016
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 2015

1 October 2015 – 31 December 2015

Commentary

- 4Q2015 Interim Distribution Per Unit: 2.7 sen
- Negative net income due to fair value loss from asset valuation

Operational & Financial Performance (Fourth Quarter)

- Portfolio Occupancy: ~ 96.6%
- Rent Reversions: ~ 3.4%
- Net Income per Unit (Realised) 2.75 sen
vs. previous comparable period/quarter¹: -3.8%
- Distribution per Unit (DPU) 2.70 sen
vs. previous comparable period¹: maintained

¹ 4Q14 Net Income per unit: 2.86 sen

Distribution and Yield

4Q15 DPU:	2.7 sen
4Q14 DPU:	2.7 sen
DPU Yield ² :	6.9%

² Based on total declared DPU of 10.50 sen for FY15 and closing price of RM1.52 on 31 December 2015.

Distribution Details

Hektar REIT Annual DPU Positive Growth Since IPO

Current Distribution Details

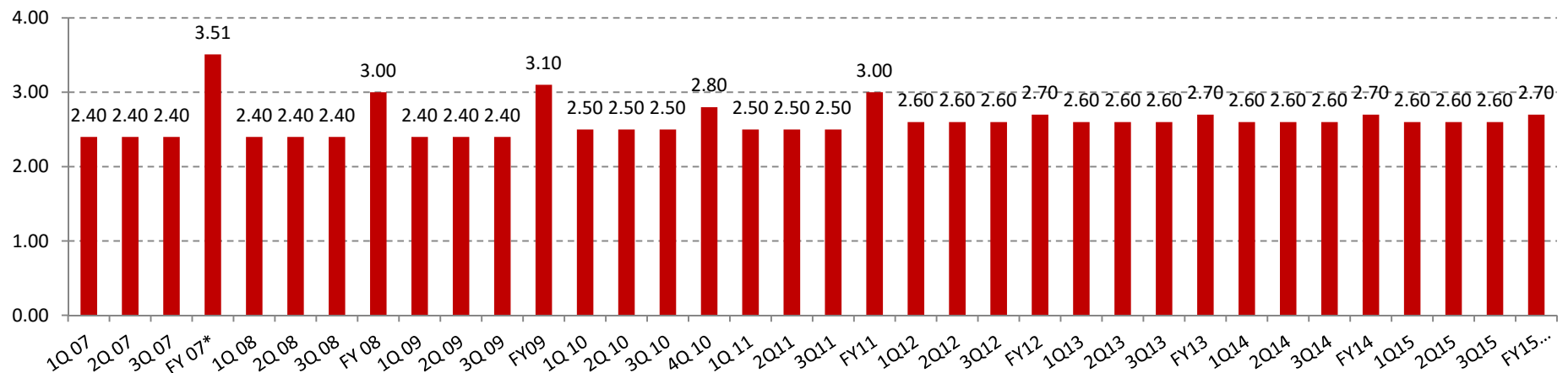
Fourth Quarter 2015

- Distribution Period: 1 Oct 2015 – 31 Dec 2015
- Quarterly DPU: 2.7 sen
- Notice of Entitlement: 17 February 2016
- Ex-Dividend Date: 1 Mar 2016
- Book Closure Date: 3 Mar 2016
- Payment Date: 18 Mar 2016

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



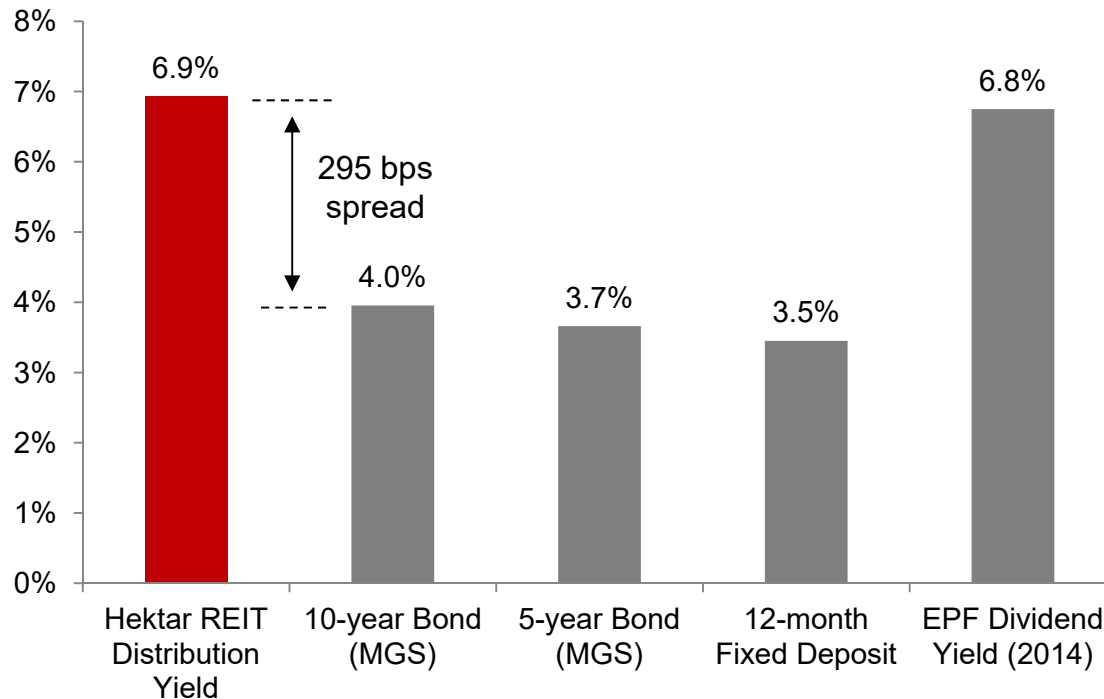
* FY 07 represented a 13 month period from December 2006 to 31 December 2007 ** Declared

Comparative Yields - Malaysia

Hektar REIT Distribution Yield at approximately 6.9%

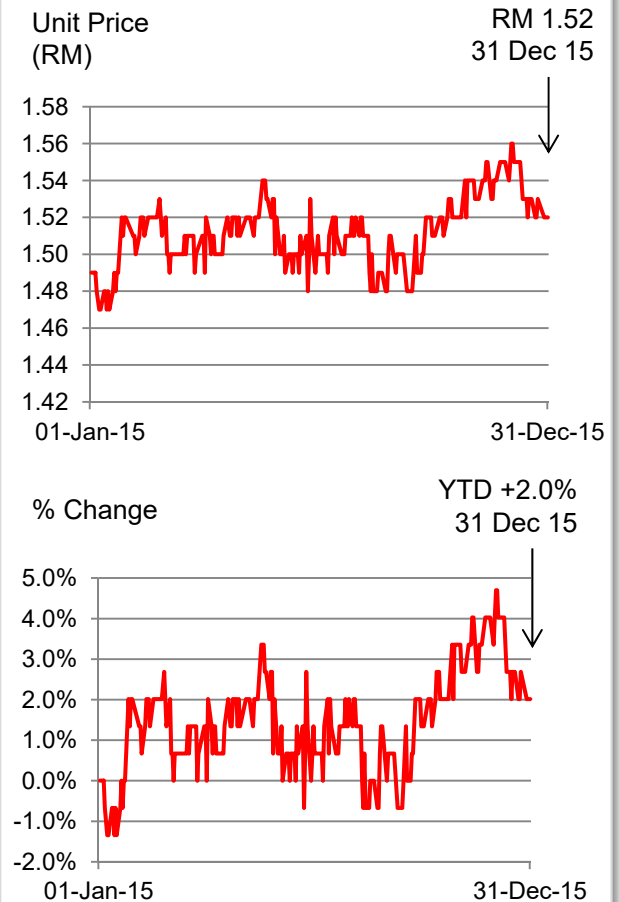
- Traded at a 295 bps spread over MGS 10-year
- Unit Price increased by 1.3% since beginning of the year

Hektar REIT Comparative Yields



Sources: Bloomberg (31 Dec 2015), EPF (Feb 2015), BNM (21 Jan 2016), RHB (18 Jul 2014). Hektar REIT's yield based on closing price of RM1.52 on 31 Dec 2015 and Declared DPU of 10.50 sen for FY 2015.

Hektar REIT Unit Price Change 4Q 2015 (12 months)



Portfolio Performance

- Overall Occupancy at ~96.6% ►
- Rental Reversions +3.4% for 4Q15 ►
- Tenancy Expiry Profile ►
- 37% of Portfolio Tenancy Rental Income Expires in 2016 ►

Hektar REIT Portfolio - Occupancy

Overall Portfolio Occupancy at ~96.6%

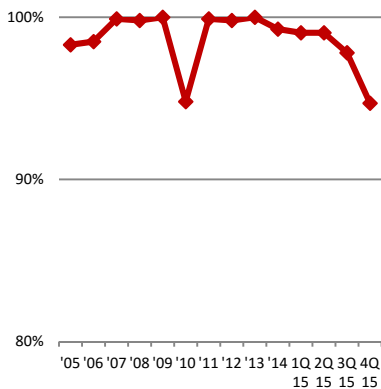
Central Square's occupancy further improves; Landmark Central reaches near full occupancy

Hektar REIT Portfolio Occupancy

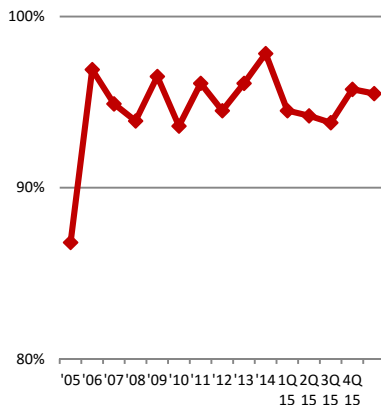
Property	As at 31 Dec 2004	As at 31 Dec 2005	As at 30 Sep 2006	As at 31 Dec 2007	As at 31 Dec 2008	As at 31 Dec 2009	As at 31 Dec 2010	As at 31 Dec 2011	As at 31 Dec 2012	As at 31 Dec 2013	As at 31 Dec 2014	As at 31 Mar 2015	As at 30 Jun 2015	As at 30 Sep 2015	As at 31 Dec 2015
Subang Parade	93.4%	98.3%	98.5%	99.9%	99.8%	100.0%	94.8%	99.9%	99.8%	100.0%	99.3%	99.0%	99.0%	97.8%	94.7%
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%	93.8%	95.8%	95.5%
Wetex Parade					83.1%	90.1%	95.6%	98.6%	97.8%	96.8%	98.3%	97.9%	97.9%	97.9%	98.7%
Central Square									89.8%	82.5%	80.5%	86.3%	97.3%	97.8%	98.0%
Landmark Central									96.9%	93.7%	97.8%	97.6%	97.6%	99.5%	99.3%
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%	96.9%	97.5%	96.6%

*Approximate average, weighted by Net Lettable Area.

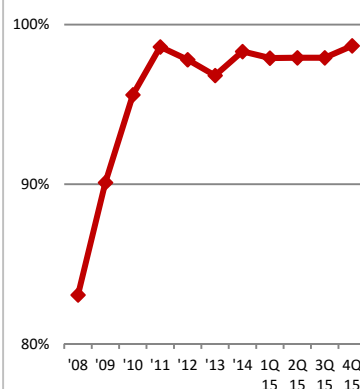
Subang Parade
Occupancy (%)



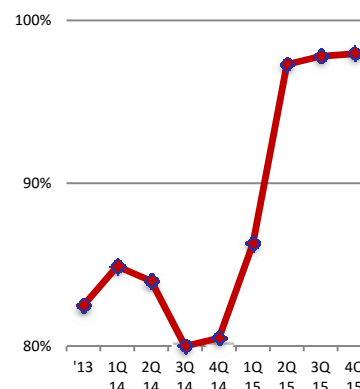
Mahkota Parade
Occupancy (%)



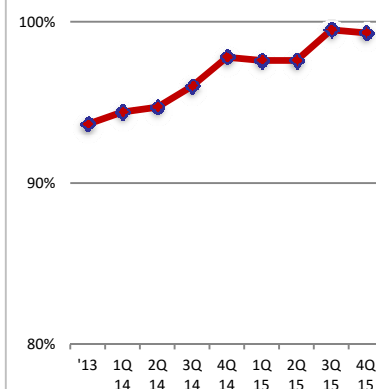
Wetex Parade
Occupancy (%)



Central Square
Occupancy (%)



Landmark Central
Occupancy (%)



Hektar REIT Portfolio – Rental Reversions

Rental Reversions +3.4% for 4Q 2015

- Negative reversion recorded at Mahkota Parade and Wetex Parade

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	10	34,363	7%		8%
Mahkota Parade	9	76,352	15%		-2%
Wetex Parade	9	7,093	4.5%		-7%
Central Square	4	3,486	1%		39%
Landmark Central	2	1,034	0%		6%
Total / Average*	34	122,328	7%		3.4%

*Average Weighted by NLA.

NLA = Net Lettable Area

Mahkota Parade :
Lower rental rate
recorded from the
enlarged cinema
area.

Wetex Parade :
Lower rental provided
to bring in the first
and only Bonita
branch in Johor.

Hektar REIT Rental Reversions: Year-To-Date

Year-To-Date (9 months) (Ended 30 September)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	Increase / (Decrease) Over Previous Rent Rates	%
Subang Parade	25	167,255	33%		5.9%
Mahkota Parade	30	158,566	33%		-7.2%
Wetex Parade	37	33,196	21%		1.6%
Central Square	23	77,183	25.5%		18.8%
Landmark Central	31	138,606	49.3%		10.2%
Total / Average*	146	574,806	33%		2.5%

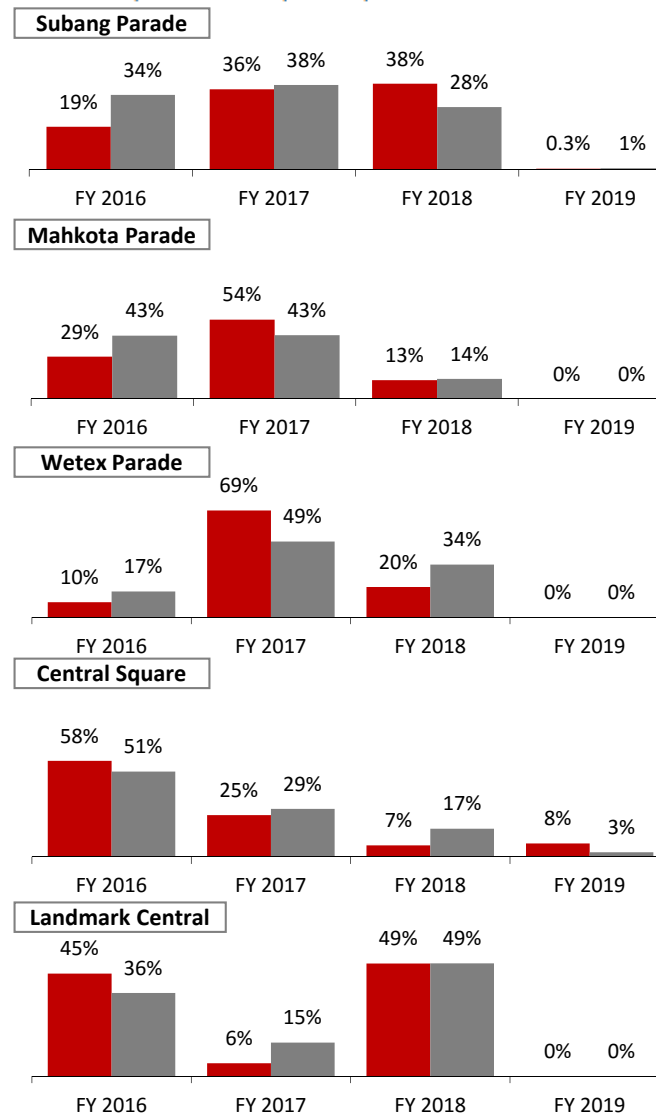
*Average Weighted by NLA.

NLA = Net Lettable Area

Hektar REIT Tenancy Expiry Profile by Property as at 31 December 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 2016	61	96,792	19%	34%
FY 2017	49	181,743	36%	38%
FY 2018	23	194,440	38%	28%
FY 2019	1	1,737	0.3%	1%
Mahkota Parade				
FY 2016	51	149,349	29%	43%
FY 2017	35	280,669	54%	43%
FY 2018	21	66,174	13%	14%
FY 2019	0	-	0%	0%
Wetex Parade				
FY 2016	19	15,435	10%	17%
FY 2017	20	110,450	69%	49%
FY 2018	37	31,158	20%	34%
FY 2019	0	-	0%	0%
Central Square				
FY 2016	18	180,500	58%	51%
FY 2017	30	78,431	25%	29%
FY 2018	20	21,445	7%	17%
FY 2019	1	25,000	8%	3%
Landmark Central				
FY 2016	27	125,729	45%	36%
FY 2017	18	15,631	6%	15%
FY 2018	28	138,089	49%	49%
FY 2019	-	-	0%	0%

■ By Total NLA ■ By Monthly Rental Income



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

Hektar REIT Portfolio – Tenancy Expiry Profile

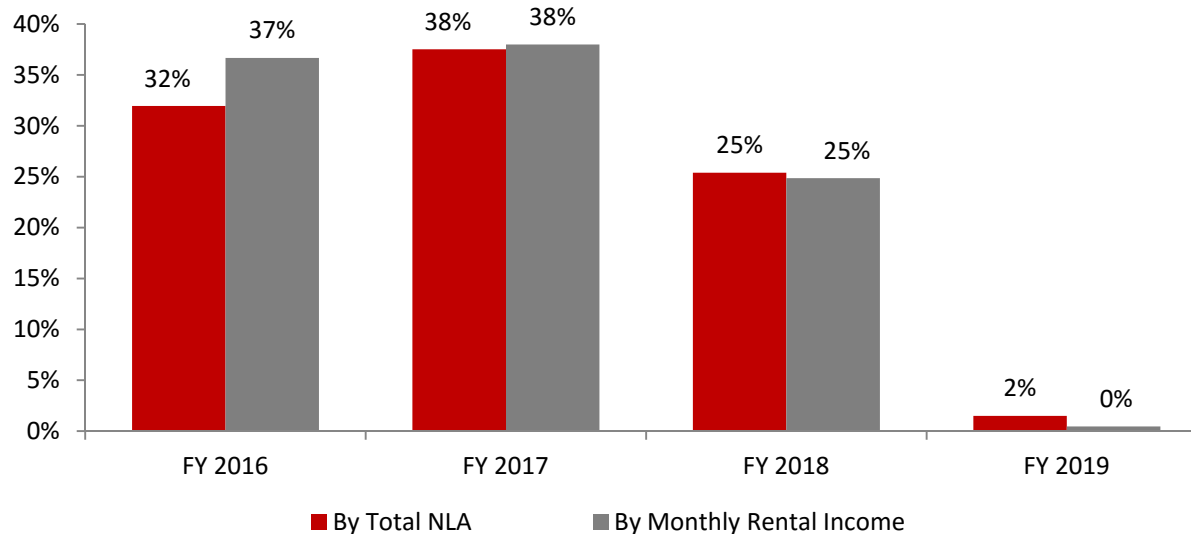
Tenancy Portfolio Expiry Profile 2016 – 2019

- FY2016 - 176 tenancy expiries account for approximately 37% of monthly rental income*

Hektar REIT Tenancy Expiry Profile – Overall Portfolio

As at 30 September 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 2016	176	567,805	32%	37%
FY 2017	152	666,924	38%	38%
FY 2018	129	451,306	25%	25%
FY 2019	2	26,737	2%	0%



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

Financial Results

- 4Q2015 Gross Revenue and NPI up 3.6% from preceding year ►
- 4Q2015 Net Income (Realised) down 3.8% from preceding year ►
- Hektar REIT Average Cost of Debt at 4.9% ►

Income Statement – Quarter Comparative

4Q2015 Net Income (Realised) down 3.8% vs corresponding quarter 4Q2014

Income Statement Fourth Quarter 2015 (Unaudited)	4Q15 (RM '000)	4Q14 (RM '000)	Variance (%)
Revenue	31,931	30,828	+ 3.6%
Direct Cost & Property Expenses	<u>(12,396)</u>	<u>(11,970)</u>	<u>+ 3.6%</u>
Net Property Income (NPI)	<u>19,534</u>	<u>18,858</u>	<u>+ 3.6%</u>
Interest & Other Income	<u>102</u>	<u>184</u>	<u>- 44.7%</u>
Total Income	<u>19,636</u>	<u>19,042</u>	<u>+ 3.1%</u>
Trust Fees & Expenses	(2,815)	(2,516)	+ 11.9%
Interest Expense	(5,804)	(5,076)	+ 14.3%
Fair Value Adjustment of Investment Properties	<u>(39,934)</u>	<u>6,126</u>	<u>- 751.9%</u>
Net Income Before Tax	<u>(28,918)</u>	<u>17,576</u>	<u>- 264.5%</u>
Net Income per Unit (sen)	<u>-7.22</u>	<u>4.39</u>	<u>- 264.5%</u>
- realised	<u>2.75</u>	<u>2.86</u>	<u>- 3.8%</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.

Income Statement – Year-To-Date Comparative

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

Income Statement Year-To-Date (Unaudited)	FY15 (RM '000)	FY14 (RM '000)	Variance (%)
Revenue	125,511	121,991	+ 2.9%
Direct Cost & Property Expenses	<u>(49,028)</u>	<u>(48,714)</u>	+ .6%
Net Property Income (NPI)	<u>76,483</u>	<u>73,277</u>	+ 4.37%
Interest & Other Income	<u>610</u>	<u>403</u>	+ 51.6%
Total Income	<u>77,093</u>	<u>73,679</u>	+ 4.63%
Trust Fees & Expenses	(10,329)	(9,805)	+ 5.3%
Interest Expense	(22,071)	(19,613)	+ 12.5%
Fair Value Adjustment of Investment Properties	(39,934)	6,126	-751.9%
Net Income Before Tax	<u>4,759</u>	<u>50,387</u>	- 90.6%
Net Income per Unit (sen)	<u>1.19</u>	<u>12.58</u>	- 90.6%
- realised	<u>11.16</u>	<u>11.05</u>	+ 1.0%

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.



Balance Sheet

Hektar REIT's Balance Sheet for 4Q2015

Balance Sheet (Unaudited)	As at 31.12.2015 (RM '000)	As at 31.12.2014 (RM '000)
Non-Current Assets		
Investment Properties	1,086,580	1,060,732
Capital Work in Progress	335	21,679
Fixed Deposit with a licensed bank	655	4,408
	<u>1,087,570</u>	<u>1,086,819</u>
Current Assets		
Trade Receivables	3,725	2,884
Other Receivables, Deposits, Prepayments	6,684	5,604
Cash and Bank Balances	19,066	14,739
TOTAL ASSETS	<u>1,117,045</u>	<u>1,110,046</u>
Long Term Liabilities		
Tenancy Deposits	14,613	14,074
Borrowings	479,215	453,876
	<u>493,828</u>	<u>467,950</u>
Current Liabilities		
Trade Payables	1,637	384
Other Payables and Accruals	7,113	5,054
Tenancy Deposits	15,090	14,973
Borrowings	15,000	
TOTAL LIABILITIES	<u>532,668</u>	<u>488,362</u>
NET ASSET VALUE	<u>584,377</u>	<u>621,684</u>
Unitholders' Capital	425,738	425,738
Retained Earnings - realised	43,997	41,370
Retained Earnings - unrealised	114,642	154,576
TOTAL UNITHOLDERS' FUND	<u>584,377</u>	<u>621,684</u>

Unit Price Statistics

As at 31 Dec 2015

No. of Units Outstanding

400,634,117

Net Asset Value (RM)

1.4586

Unit Price (RM)

1.52

Premium / (Discount) to NAV

4.21%

Debt Profile

Debt Profile for 4Q 2015

Debt Information

As at 31 December 2015

- Total Debt: **RM494 million**
- Weighted Cost of Debt: **4.9%**
- Gearing Ratio¹: **44.2%**
- Interest Cover²: **1.22**

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

² Based on financial year ended 31 December 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 2021
- Pledged: Mahkota Parade
- Facility Size: RM15 million
- Drawdown: Fully Drawn
- Cost: 4.78%
- Refinancing: January 2016

Tranche 4

- Term: 5 Years, Expiring 2016/17
- Pledged: Wetex Parade
- Facility Size: RM87.1 million
- Drawdown: Fully Drawn
- Cost: 4.90%
- Refinancing: December 2016 & October 2017

Tranche 5

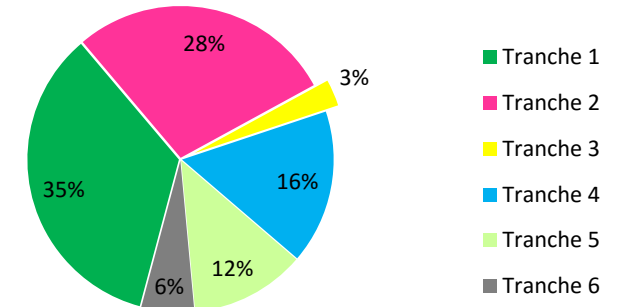
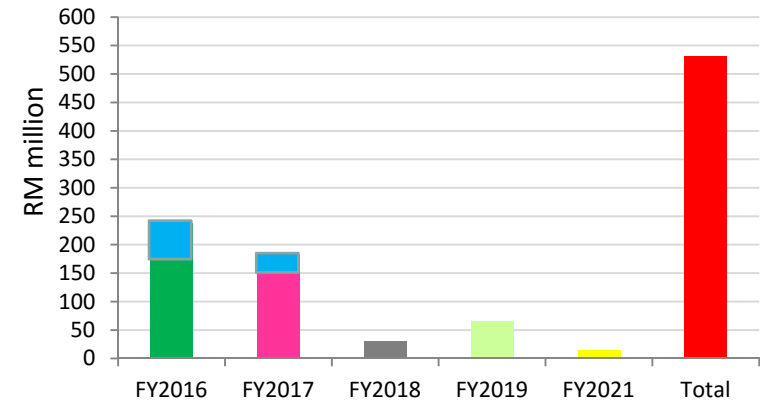
- Term: 5 Years, Expiring 2019
- Pledged: Landmark Central
- Facility Size: RM65 million
- Drawdown: Partially Drawn
- Cost: 4.78%
- Refinancing: February 2019

Tranche 6

- Term: 5 Years, Expiring 2018
- Pledged: Mahkota Parade
- Facility Size: RM30 million
- Drawdown: Partially Drawn
- Cost: 4.78%
- Refinancing: December 2018

Debt Expiry Profile

As at 31 December 2015



“Creating The Places Where People Love To Shop”

Investor Relations
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