
Hektar REIT 2Q13 Results

Revenue increased by 22.0%;
Net Property Income up by 21.3%
RM 23 million Asset Enhancement Initiatives at Central Square

Kuala Lumpur, August 2, 2013 – Hektar Asset Management Sdn Bhd (“Hektar”) announced that Hektar Real Estate Investment Trust (“Hektar REIT”) recorded positive realised net income of RM10.8 million for the three months period ended 30 June 2013 (2Q13). Gross revenue for the second quarter increased to RM29.7 million, up 22.0% from the previous year’s corresponding quarter 2Q12. Net Property Income (NPI) reached RM17.9 million, an increase of 21.3% over the corresponding 2Q12.

The first half 2013 gross revenue ended 30 June 2013 was achieved at RM59.7 million, up 22.5% over the preceding year period. Net Income reached RM21.9 million, an increase of 15.1% compared to the preceding year period. In addition to the improved performance from the existing malls, the increase in gross revenue and NPI performance were also contributed by the two malls acquired in October last year (Central Square, Sungai Petani and Landmark Central, Kulim).

“We have finalised an extensive asset enhancement initiatives (“AEI”) plan for Central Square and would embark on it in 3Q13. The AEI is budgeted at RM 23 million and is expected to complete by 3Q14,” said Chief Executive Officer of Hektar Asset Management Sdn Bhd, Dato’ Jaafar Abdul Hamid.

“What we hope to achieve from the AEI is to re-establish Central Square as the leading shopping mall in Sungai Petani. We will be injecting modern interior and exterior designs to the mall, increasing the number of cinema screens to 9, improving amenities of the mall, and ultimately, bringing a whole new shopping experience to our shoppers. Our team has a solid track record in mall refurbishment. We are confident that upon the completion of the AEI, both shopper traffic and the tenancy mix will improve vastly as evidenced in our previous malls. Landmark Central will be our next focus,” he added.

Hektar declared a second quarter distribution per unit (DPU) of 2.60 sen. The Book Closing Date is August 21, 2013 and the payment of the second quarter distribution will be made on September 10, 2013. Based on the closing price of RM1.57 on 28 June 2013, 2Q13 annualised DPU represented a dividend yield of approximately 6.6%.

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's portfolio of shopping mall now includes Central Square in Sungai Petani and Landmark Central in Kulim, both in Kedah. On 2 October 2012, Hektar REIT officially became the new owner of the "Kedah Malls" which increased its portfolio from three to five shopping malls and resulted in the total portfolio asset value surpassing the RM 1 billion mark. The other 3 shopping malls are Subang Parade in Subang Jaya, Selangor, Mahkota Parade in Melaka and Wetex Parade in Muar, Johor. The portfolio's catchment serves a market size of 1.9 million shoppers. In FY2012, the portfolio had an average occupancy of 96.3% and recorded over 28.1 million shopper visits.

Overview of Hektar REIT Financial Results (unaudited)	2Q 13 (3 months) (RM '000)	2Q 12 (3 months) (RM '000)	Variance (%)
Gross Revenue	29,657	24,309	+22.0%
Direct Cost & Property Expenses	(11,797)	(9,588)	+23.0%
Net Property Income (NPI)	17,860	14,720	+21.3%
Net Income - Realised	10,813	9,278	+16.5%
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Net Income Per Unit – Realised (sen)	2.70	2.90	-6.9%
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 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 RM1.03 billion in December 2012. 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, part 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:

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