

FOURTH QUARTER 2013 FINANCIAL RESULTS PRESENTATION

12 FEBRUARY 2014
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.

Financial Summary

Fourth Quarter FY 2013

1 October 2013 – 31 December 2013

Commentary

- 4Q2013 Interim Distribution Per Unit: 2.7 sen
- Seven Years Track Record of Positive Results

Operational & Financial Performance (Fourth Quarter)

- Portfolio Occupancy: ~ 95.0%
- Rent Reversions: ~ 3.6%
- Net Income per Unit (Realised) **3.28 sen**
vs. previous comparable period/quarter¹: **+21.7%**
- Distribution per Unit (DPU) **2.70 sen**
vs. previous comparable period¹: **maintained**

¹ 4Q12 Net Income per unit: 3.38 sen

Distribution and Yield

4Q13 DPU:	2.7 sen
4Q12 DPU:	2.7 sen
DPU Yield ² :	7.0%

² Based on total annualized declared DPU of 2.7 sen for 4Q13 and closing price of RM1.50 on 31 Dec 2013.

Distribution Details

Hektar REIT Annual DPU Positive Growth Since IPO

Current Distribution Details

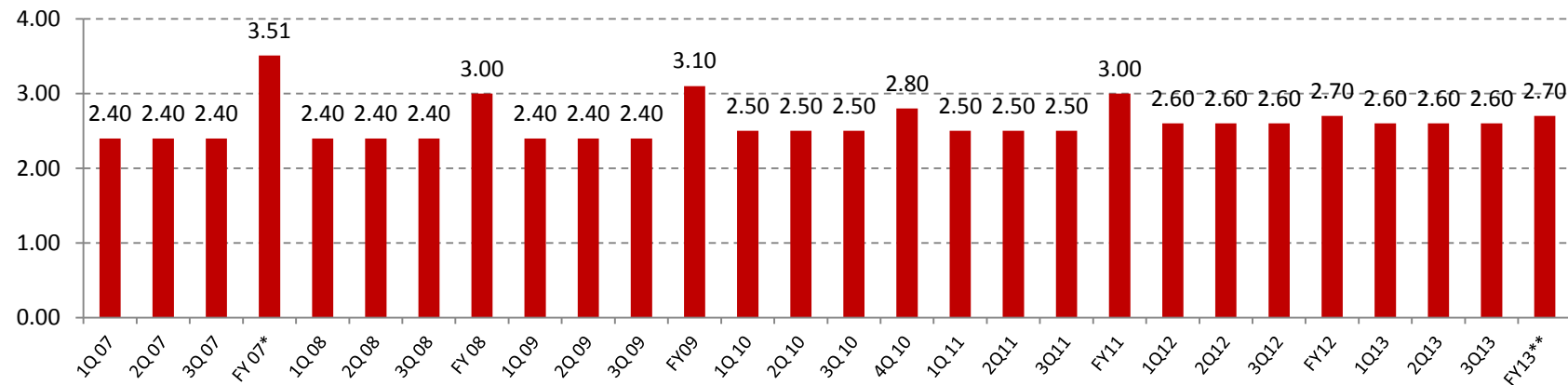
Fourth Quarter 2013

- Distribution Period: **1 Oct 2013 – 31 Dec 2013**
- Quarterly DPU: **2.7 sen**
- Notice of Entitlement: **12 Feb 2014**
- Ex-Dividend Date: **25 Feb 2014**
- Book Closure Date: **27 Feb 2014**
- Payment Date: **17 Mar 2014**

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



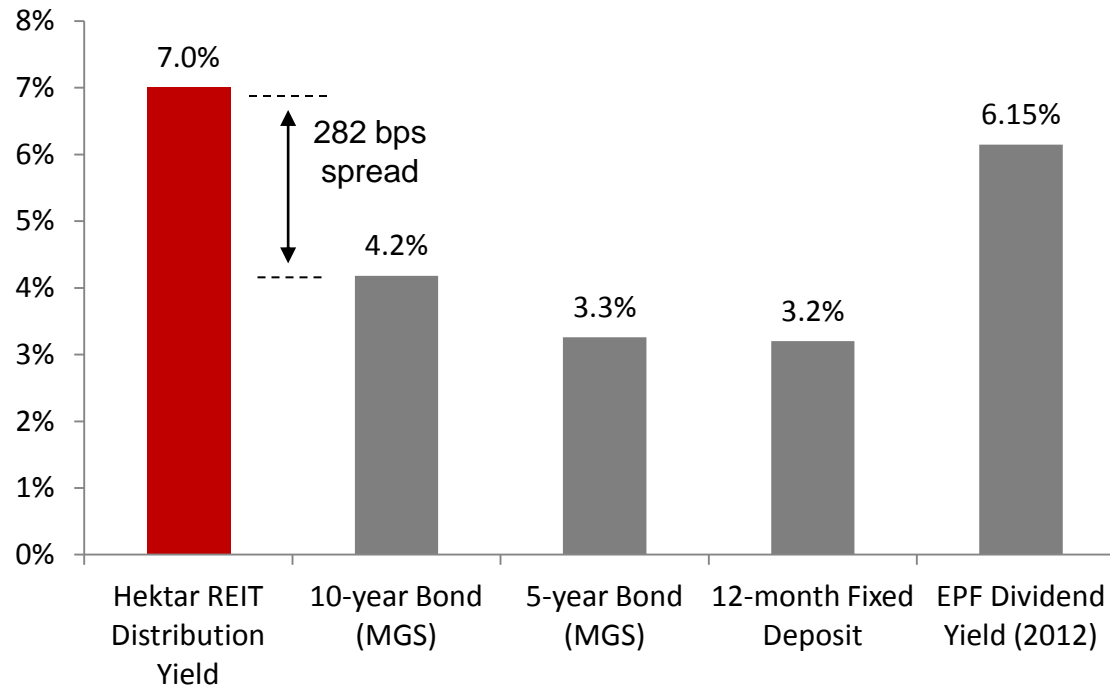
* FY 07 represented a 13 month period from December 2006 to 31 December 2007 ** Declared

Comparative Yields - Malaysia

Hektar REIT Distribution Yield at approximately 7.0%

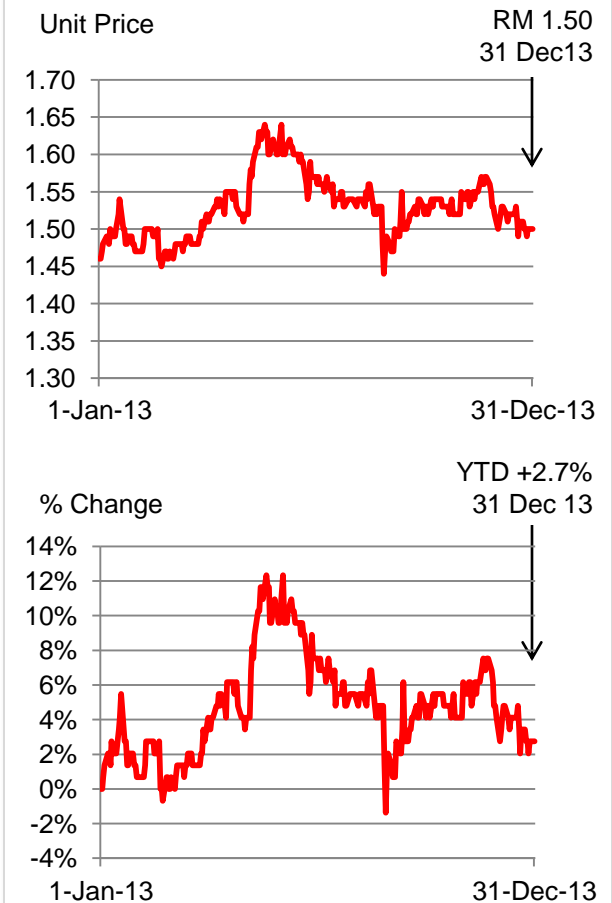
- Traded at a 282 bps spread over MGS 10-year
- Unit Price increased by 2.7% since beginning of the year

Hektar REIT Comparative Yields



Sources: Bloomberg (31 Dec 2013), EPF (March 2013), BNM (13 Jan 2014), RHB (13 Jan 2012). Hektar REIT's yield based on closing price of RM1.50 on 31 Dec 2013 and Total Declared DPU of 10.50 sen.

Hektar REIT Unit Price Change FY2013 (12 months)



Portfolio Performance

- Overall Occupancy at ~95.0% ►
- Rental Reversions +3.4% for 4Q13 ►
- Tenancy Expiry Profile ►
- 44% of Portfolio Tenancy Rental Income Expires in 2014 ►

Hektar REIT Portfolio - Occupancy

Central Square occupancy rate stabilized as tenancy remixing activity progresses on.

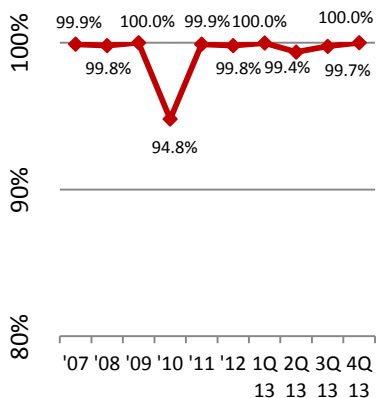
Overall Portfolio Occupancy at ~95.0%

Hektar REIT Portfolio Occupancy

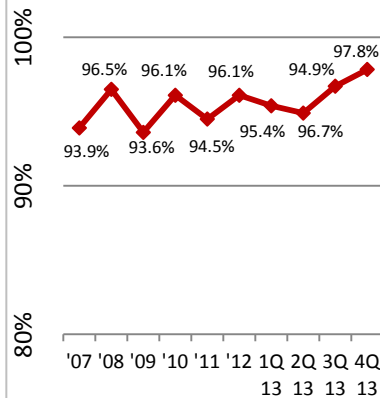
Property	As at 31 Dec 2007	As at 31 Dec 2008	As at 31 Dec 2009	As at 31 Dec 2010	As at 31 Dec 2011	As at 31 Dec 2012	As at 31 Mar 2013	As at 30 Jun 2013	As at 30 Sep 2013	As at 31 Dec 2013
Subang Parade	99.9%	99.8%	100.0%	94.8%	99.9%	99.8%	100.0%	99.4%	99.8%	100.0%
Mahkota Parade	93.9%	96.5%	93.6%	96.1%	94.5%	96.1%	95.4%	94.9%	96.7%	97.8%
Wetex Parade		83.1%	90.1%	95.6%	98.6%	97.8%	98.0%	97.7%	97.6%	96.8%
Central Square						89.8%	85.3%	82.2%	80.9%	82.5%
Landmark Central						96.9%	97.3%	95.0%	95.3%	93.7%
Overall*	96.9%	95.8%	95.8%	95.5%	97.5%	96.3%	95.5%	94.2%	94.7%	95.0%

*Approximate average, weighted by Net Lettable Area.

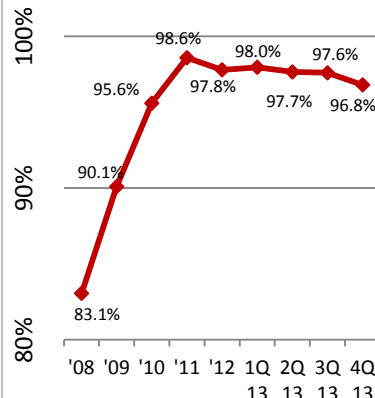
Subang Parade
Occupancy (%)



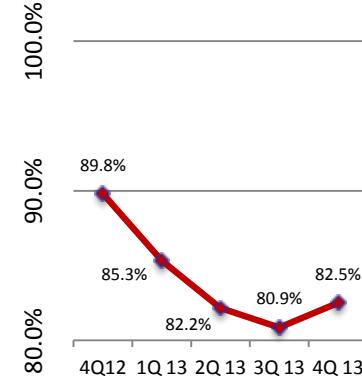
Mahkota Parade
Occupancy (%)



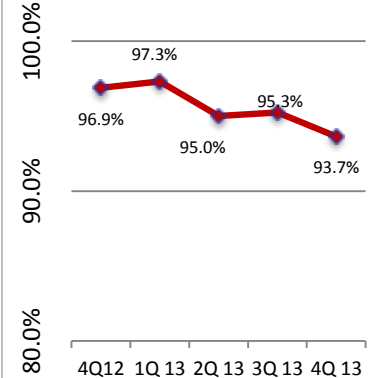
Wetex Parade
Occupancy (%)



Central Square
Occupancy (%)



Landmark Central
Occupancy (%)



Hektar REIT Portfolio – Rental Reversions

Rental Reversions +7.0% for FY 2013

- 4Q 13: 36 new tenancies / renewals at 9.6% reversion rate
- Tenant remixing exercises at Kedah Malls, resulting in high reversion.

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	9	14,235	3%		2%
Mahkota Parade	14	19,691	4%		2%
Wetex Parade	1	452	0.3%		3%
Central Square	6	21,410	7%		87%
Landmark Central	6	5,150	2%		26%
Total / Average*	36	60,938	4%		10%

*Average Weighted by NLA.

NLA = Net Lettable Area

High reversion from
Mobile Village
(previously no rental
prior to acquisition)

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	50	85,899	17%		8%
Mahkota Parade	36	69,422	14%		-2%
Wetex Parade	23	14,613	9%		6%
Central Square	6	30,016	10%		52%
Landmark Central	6	24,645	9%		23%
Total / Average*	121	224,595	13%		7%

*Average Weighted by NLA.

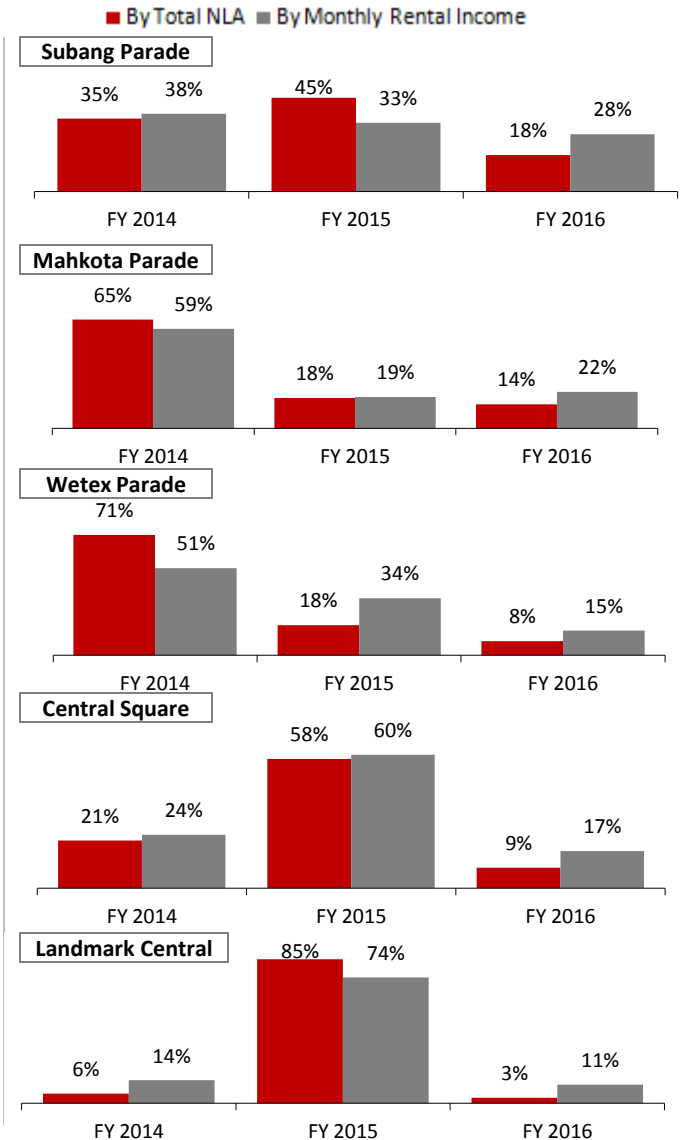
NLA = Net Lettable Area

Negative due to the
negative reversion in
3Q2013.

Hektar REIT Tenancy Expiry Profile by Property as at 31 December 2013

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 2014	57	177,063	35%	38%
FY 2015	33	227,757	45%	33%
FY 2016	44	88,851	18%	28%
Mahkota Parade				
FY 2014	62	257,731	65%	59%
FY 2015	43	87,959	18%	19%
FY 2016	40	69,088	14%	22%
Wetex Parade				
FY 2014	28	109,779	71%	51%
FY 2015	40	27,656	18%	34%
FY 2016	15	12,861	8%	15%
Central Square				
FY 2014	34	64,306	21%	24%
FY 2015	12	174,755	58%	60%
FY 2016	5	27,742	9%	17%
Landmark Central				
FY 2014	17	16,203	6%	14%
FY 2015	37	237,818	85%	74%
FY 2016	12	9,328	3%	11%

*Based on monthly rental income for Dec 2013. Figures may not round to 100% due to misc. items



Hektar REIT Portfolio – Tenancy Expiry Profile

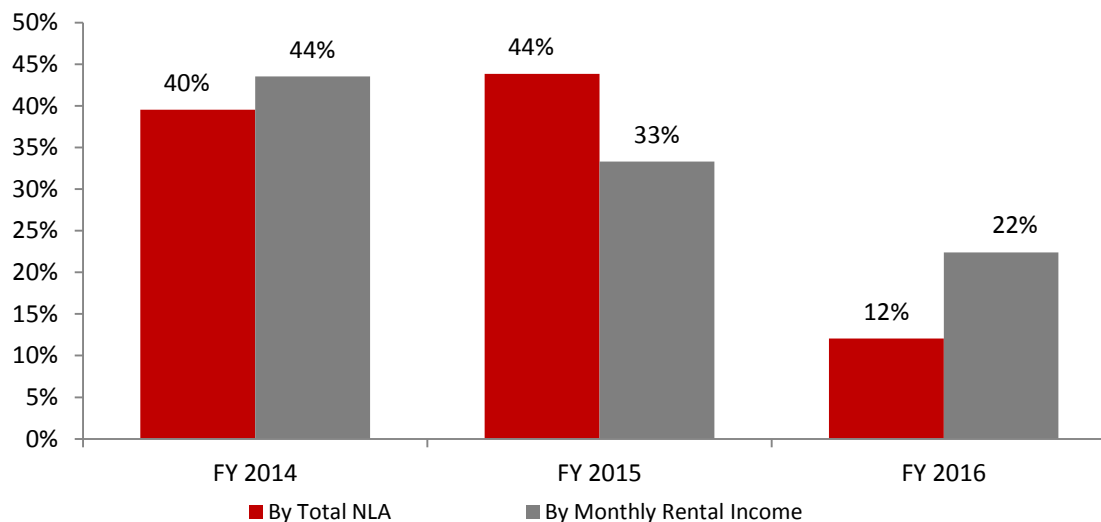
Tenancy Portfolio Expiry Profile 2014 – 2016

- FY2014 - 198 tenancy expiries account for approximately 44% of monthly rental income*

Hektar REIT Tenancy Expiry Profile – Overall Portfolio

As at 31 December 2013

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 2014	198	682,016	40%	44%
FY 2015	165	755,945	44%	33%
FY 2016	116	207,870	12%	22%



* Based on monthly rental income for Dec 2013. NLA = Net Lettable Area

Financial Results

- Gross Revenue up 4.7% and NPI up 10.3% from preceding year ►
- 4Q2013 Net Income (Realised) up 21.7% from preceding year ►
- Hektar REIT Average Cost of Debt at 4.6% ►

Income Statement – Quarter Comparative

4Q2013 Net Income (Realised) up 21.7% vs corresponding quarter 4Q2012

- Increase in Interest & Other Income due to bad debts recovered during the year.

Income Statement Fourth Quarter 2013 (Unaudited)	4Q13 (RM '000)	4Q12 (RM '000)	Variance (%)
Revenue	30,431	29,058	+ 4.7%
Direct Cost & Property Expenses	(10,384)	(10,887)	- 4.6%
Net Property Income (NPI)	<u>20,048</u>	<u>18,171</u>	<u>+ 10.3%</u>
Interest & Other Income	<u>225</u>	<u>70</u>	<u>+ 220.1%</u>
Total Income	<u>20,272</u>	<u>18,241</u>	<u>+ 11.1%</u>
Trust Fees & Expenses	(2,365)	(2,577)	- 8.2%
Interest Expense	(4,755)	(4,857)	- 2.1%
Fair Value Adjustment of Investment Properties	<u>12,632</u>	<u>18,712</u>	<u>- 32.5%</u>
Net Income Before Tax	<u>25,784</u>	<u>29,520</u>	<u>- 12.7%</u>
Net Income per Unit (sen)	<u>6.44</u>	<u>7.37</u>	<u>- 12.7%</u>
- realised	<u>3.28</u>	<u>2.70</u>	<u>+ 21.7%</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 2013
(versus previous comparable period)

Income Statement Year-To-Date FY13 (Unaudited)	FY13 (RM '000)	FY12 (RM '000)	Variance (%)
Revenue	120,235	103,232	+ 16.5%
Direct Cost & Property Expenses	(46,120)	(39,485)	+ 16.8%
Net Property Income (NPI)	74,115	63,747	+ 16.3%
Interest & Other Income	844	351	+ 140.3%
Total Income	74,959	64,098	+ 16.9%
Trust Fees & Expenses	(9,897)	(8,429)	+ 17.4%
Interest Expense	(18,928)	(15,911)	+ 19.0%
Fair Value Adjustment of Investment Properties	12,632	18,712	- 32.5%
Net Income Before Tax	58,766	58,470	+ 0.5%
Net Income per Unit (sen)	14.67	17.19	- 14.7%
- realised	11.52	11.69	- 1.5%

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 4Q2013

Balance Sheet (Unaudited)	As at 31.12.2013 (RM '000)	As at 31.12.2012 (RM '000)
Non-Current Assets		
Investment Properties	1,047,280	1,028,970
Capital Work in Progress	1,740	533
Fixed Deposit with a licensed bank	4,227	4,072
	<u>1,053,247</u>	<u>1,033,576</u>
Current Assets		
Trade Receivables	3,077	3,333
Other Receivables, Deposits, Prepayments	5,495	3,231
Cash and Bank Balances	23,284	26,127
	<u>1,085,103</u>	<u>1,066,267</u>
TOTAL ASSETS		
	<u>1,085,103</u>	<u>1,066,267</u>
Long Term Liabilities		
Tenancy Deposits	13,889	15,856
Borrowings	436,100	286,100
	<u>449,989</u>	<u>301,956</u>
Current Liabilities		
Trade Payables	2,657	1,319
Other Payables and Accruals	5,045	5,084
Tenancy Deposits	14,047	11,243
Borrowings		150,000
	<u>471,739</u>	<u>469,603</u>
TOTAL LIABILITIES		
	<u>471,739</u>	<u>469,603</u>
NET ASSET VALUE		
	<u>613,364</u>	<u>596,664</u>
Unitholders' Capital	425,738	425,738
Retained Earnings - realised	39,176	35,109
Retained Earnings - unrealised	148,450	135,818
	<u>613,364</u>	<u>596,664</u>
TOTAL UNITHOLDERS' FUND		
	<u>613,364</u>	<u>596,664</u>

Unit Price Statistics

As at 31 Dec 2013

No. of Units Outstanding

400,634,117

Net Asset Value (RM)

1.5310

Unit Price (RM)

1.50

Premium / (Discount) to NAV

(2.0%)

Debt Profile

Debt Profile for 4Q 2013

Debt Information

As at 31 Dec 2013

- Total Debt: **RM436 million**
- Weighted Cost of Debt: **4.6%**
- Gearing Ratio¹: **40.2%**
- Interest Cover²: **6.42**

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

² Based on quarter ended 31 December 2013

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: 4.36%
- Refinancing: April 2017

Tranche 3

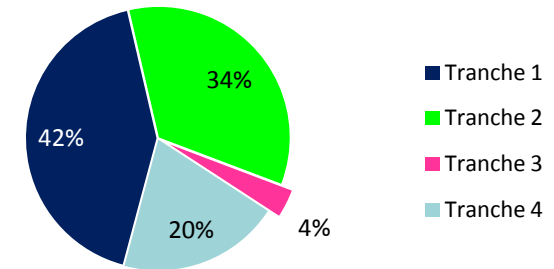
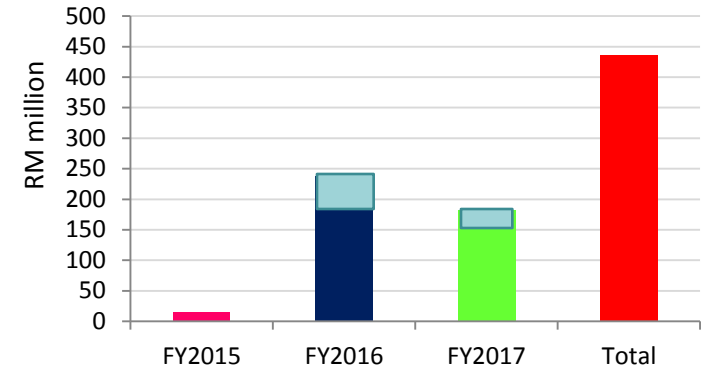
- Term: 5 Years, Expiring **2015**
- Pledged: Subang Parade
- Facility Size: RM15 million
- Drawdown: Fully Drawn
- Cost: 4.13%
- Refinancing: August 2015

Tranche 4

- Term: 5 Years, Expiring **2016/17**
- Pledged: Wetex Parade
- Facility Size: RM87.1 million
- Drawdown: Fully Drawn
- Cost: 4.57%
- Refinancing: December 2016 & October 2017

Debt Expiry Profile

As at 31 Dec 2013



“Creating The Places Where People Love To Shop”

Investor Relations
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