
Hektar REIT 4Q13 Results
Net Income up by 21.7%;
Final Distribution per Unit declared at 2.70 sen

Kuala Lumpur, February 12, 2014 – Hektar Asset Management Sdn Bhd (“Hektar”) announced that Hektar Real Estate Investment Trust (“Hektar REIT”) recorded positive results for the fourth quarter ended 31 December 2013 (4Q13) with gross revenue of RM 30.4 million, up 4.7% from the previous year’s corresponding quarter (4Q12). This corresponds to an increase in Net Property Income (NPI) by 10.3% over 4Q12, to RM20.0 million. Realised net income reached RM 13.2 million, up 21.7% from 4Q12.

For the cumulative period of twelve months ended 31 December 2013, realised net income is recorded at RM 46.1 million, 16.0% higher than the corresponding preceding year period. The twelve months gross revenue was achieved at RM 120.2 million, up 16.5% over the twelve months ended 31 December 2012. NPI has also improved by 16.3% to RM 74.1 million.

“Occupancy rate for the portfolio as at 31 December 2013 has reduced slightly to 95.0%. This is mainly due to the asset enhancement initiatives (“AEI”) currently taking place at Central Square. Excluding Central Square and Landmark Central, the average occupancy rate for the remaining three malls has improved from 97.9% last year (31 December 2012) to 98.6% this year. Subang Parade remains the flagship shopping centre with the highest NPI growth generated for the REIT during the financial year ended 31 December 2013. Coupled with a steady reversion rate, the valuation for Subang Parade has increased significantly this year, by 39.6% as compared to last financial year ended 31 December 2012. However, the fair value gain for the portfolio is reported to be lower than last financial year as capital expenditure has been spent for the ongoing AEI at Central Square and has yet to be imputed into its valuation,” said the Chief Executive Officer of Hektar Asset Management Sdn Bhd, Dato’ Jaafar Abdul Hamid.

“The main focus for this year remains with the AEI at Central Square. Following the commencement of our AEI, many other tenants have also taken the initiative to refurbish their shop units. For example, our anchor tenant, The Store, has just completed a facelift at Central Square. This adds great value to our initiatives at the mall. Taking place hand-in-hand with the AEI, our leasing team is also aggressively carrying out tenant remixing exercises at both Central Square and Landmark Central. This has resulted in double digit reversion rates as reported in our 4Q13 results,” he added.

Hektar declared a fourth quarter distribution per unit (DPU) of 2.70 sen. The Book Closing Date is February 27, 2014 and the payment of the fourth quarter distribution will be made on March 17, 2014. Based on the closing price of RM1.50 on 31 December 2013, the 4Q13 annualised DPU represented a dividend yield of approximately 7.0%.

Hektar REIT maintains a distribution policy of at least 90% of distributable net income, which typically excludes items such as capital allowances and revenue arising from Financial Reporting Standards 117, an accounting standard adopted in FY2010.

Hektar REIT's portfolio of shopping malls now includes Central Square in Sungai Petani and Landmark Central in Kulim, both located 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 asset value of the portfolio surpassing the RM1.0 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 FY2013, the portfolio had an average occupancy of 95.0% and recorded over 31.2 million shopper visits.

Overview of Hektar REIT Financial Results (unaudited)	4Q 13 (3 months) (RM '000)	4Q 12 (3 months) (RM '000)	Variance (%)
Gross Revenue	30,431	29,058	+4.7%
Direct Cost & Property Expenses	(10,384)	(10,887)	-4.6%
Net Property Income (NPI)	20,048	18,171	+10.3%
Net Income - Realised	13,152	10,808	+21.7%
Net Income	25,784	29,520	-12.7%
Net Income Per Unit – Realised (sen)	3.28	2.70	+21.7%
Dividend Per Unit (DPU) (sen)	2.70	2.70	-

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 total gross assets valued at RM1.05 billion in December 2013. 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.

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