

SECOND QUARTER 2015 FINANCIAL RESULTS PRESENTATION

14 AUGUST 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.

Financial Summary

Second Quarter FY 2015

1 April 2015 – 30 June 2015

Commentary

- 2Q2015 Interim Distribution Per Unit: 2.6 sen
- Negative reversion impacted from rental adjustment in Mahkota Parade

Operational & Financial Performance Second Quarter

- Portfolio Occupancy: ~ 96.9%
- Rent Reversions: ~ -1.2%
- Net Income per Unit (Realised)
vs. previous comparable period/quarter¹: 2.96 sen +3.5%
- Distribution per Unit (DPU)
vs. previous comparable period¹: 2.60 sen maintained

¹ 2Q14 Net Income per unit: 2.86 sen

Distribution and Yield

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

² Based on total annualized declared DPU of 2.60 sen for 2Q15 and closing price of RM1.50 on 30 Jun 2015.

Distribution Details

Hektar REIT Annual DPU Positive Growth Since IPO

Current Distribution Details

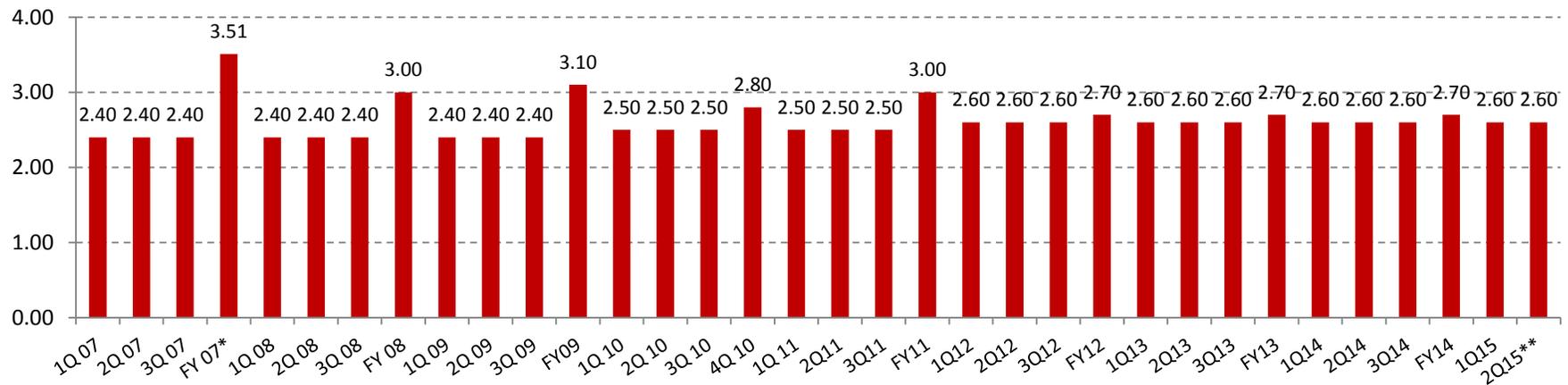
Second Quarter 2015

- Distribution Period: 1 Apr 2015 – 30 Jun 2015
- Quarterly DPU: 2.6 sen
- Notice of Entitlement: 15 Aug 2015
- Ex-Dividend Date: 1 Sep 2015
- Book Closure Date: 3 Sep 2015
- Payment Date: 18 Sep 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



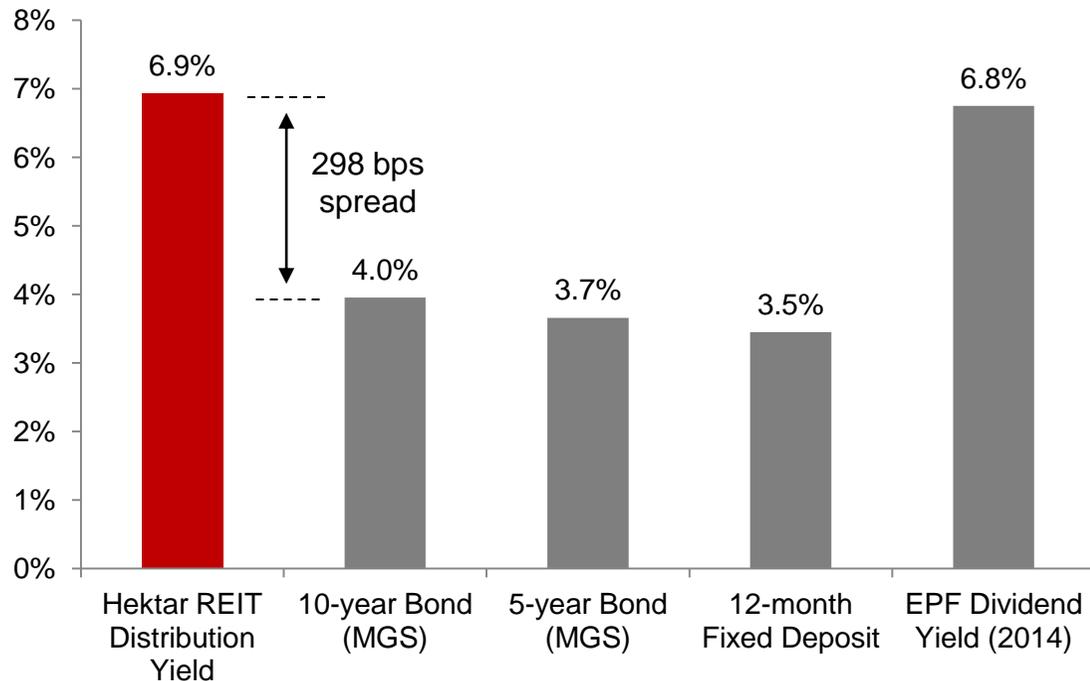
* FY 07 represented a 13 month period from December 2006 to 31 December 2007 ** Declared

Comparative Yields - Malaysia

Hektar REIT Distribution Yield at approximately 6.9%

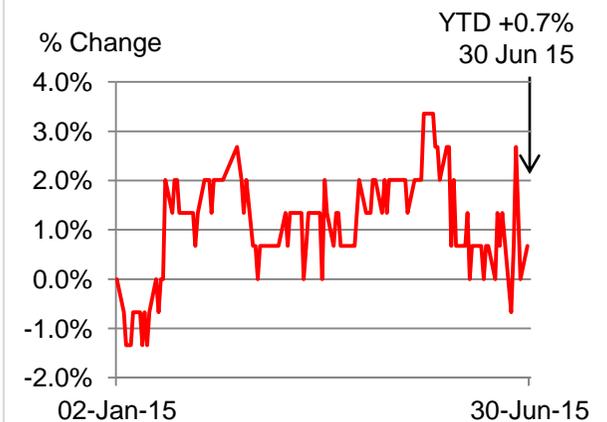
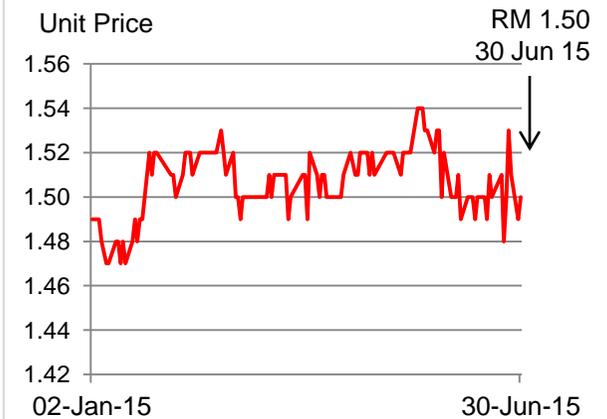
- Traded at a 298 bps spread over MGS 10-year
- Unit Price increased by 0.7% since beginning of the year

Hektar REIT Comparative Yields



Sources: Bloomberg (30 June 2015), EPF (Feb 2014), BNM (11 Aug 2015), RHB (18 Jul 2014). Hektar REIT's yield based on closing price of RM1.50 on 30 June 2015 and Declared DPU of 2.60 sen, annualised.

Hektar REIT Unit Price Change 2Q 2015 (6 months)



Portfolio Performance

- Overall Occupancy at ~96.9% ►
- Rental Reversions -1.2% for 1Q15 ►
- Tenancy Expiry Profile ►
- 32% of Portfolio Tenancy Rental Income Expires in 2015 ►

Hektar REIT Portfolio - Occupancy

Overall Portfolio Occupancy at ~96.9%

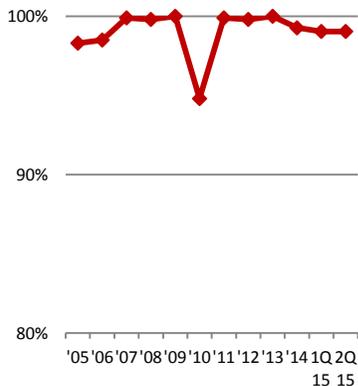
Occupancy rate at Central Square improves as AEI completes

Hektar REIT Portfolio Occupancy

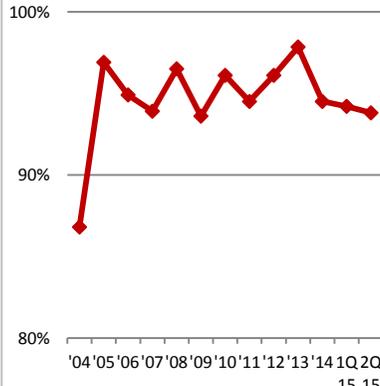
Property	As at 31 Dec 2004	As at 31 Dec 2005	As at 30 Sep 2006	As at 31 Dec 2007	As at 31 Dec 2008	As at 31 Dec 2009	As at 31 Dec 2010	As at 31 Dec 2011	As at 31 Dec 2012	As at 31 Dec 2013	As at 31 Dec 2014	As at 31 Mar 2015	As at 30 Jun 2015
Subang Parade	93.4%	98.3%	98.5%	99.9%	99.8%	100.0%	94.8%	99.9%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

*Approximate average, weighted by Net Lettable Area.

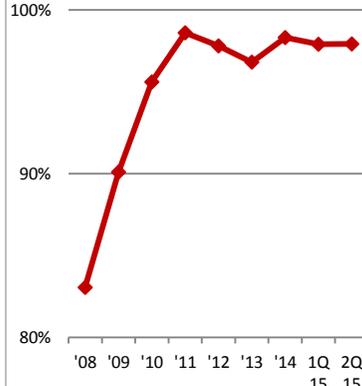
Subang Parade
Occupancy (%)



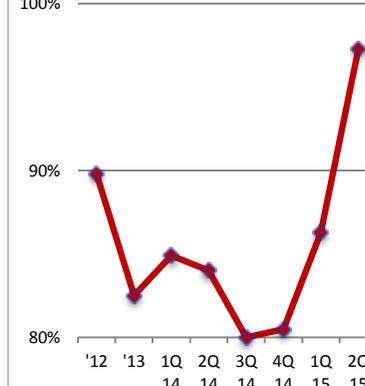
Mahkota Parade
Occupancy (%)



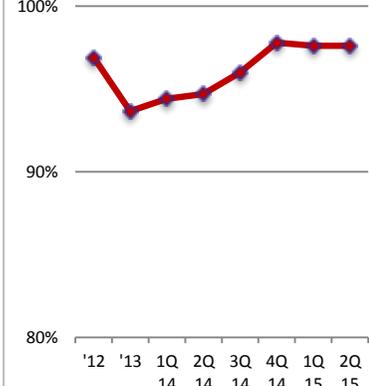
Wetex Parade
Occupancy (%)



Central Square
Occupancy (%)



Landmark Central
Occupancy (%)



Hektar REIT Portfolio – Rental Reversions

Rental Reversions -1.2% for 2Q 2015

- Negative reversion recorded at Mahkota Parade due to rental adjustments

Hektar REIT Rental Reversions: Quarter

Second Quarter (3 months) (Ended 30 June)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	Increase / (Decrease) Over Previous Rent Rates	%
Subang Parade	6	10,708	2%	0.1%	0.1%
Mahkota Parade	8	76,310	16%	-14.2%	-14.2%
Wetex Parade	17	14,998	9%	3.1%	3.1%
Central Square	5	43,036	14%	21.4%	21.4%
Landmark Central	17	25,501	9%	11.6%	11.6%
Total / Average*	53	170,553	10%	-1.2%	-1.2%

*Average Weighted by NLA.

NLA = Net Lettable Area

Mahkota Parade :
Rental adjustments
given to long term
tenants like MPH and
Ampang Superbowl

Central Square :
High reversion
recorded from
tenancy with MBO

Hektar REIT Rental Reversions: Year-To-Date

1H 2012 (6 months) (Ended 30 June)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	Increase / (Decrease) Over Previous Rent Rates	%
Subang Parade	12	20,409	4%	4.4%	4.4%
Mahkota Parade	13	87,506	18%	-7.8%	-7.8%
Wetex Parade	32	29,489	19%	2.5%	2.5%
Central Square	14	71,266	23%	21.7%	21.7%
Landmark Central	17	25,501	9%	11.6%	11.6%
Total / Average*	88	234,171	13%	1.9%	1.9%

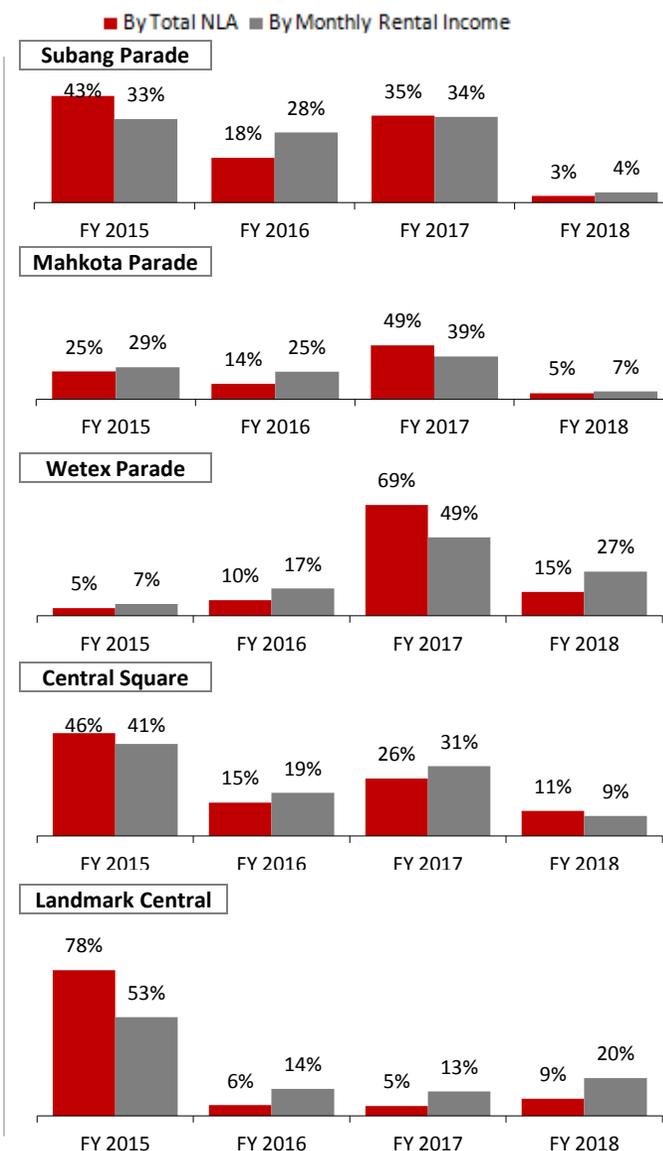
*Average Weighted by NLA.

NLA = Net Lettable Area

Hektar REIT Tenancy Expiry Profile by Property as at 30 June 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	34	216,141	43%	33%
FY 2016	48	90,714	18%	28%
FY 2017	47	175,953	35%	34%
FY 2018	6	13,244	3%	4%
Mahkota Parade				
FY 2015	51	123,019	25%	29%
FY 2016	41	68,366	14%	25%
FY 2017	38	238,292	49%	39%
FY 2018	4	26,522	5%	7%
Wetex Parade				
FY 2015	10	7,556	5%	7%
FY 2016	19	15,435	10%	17%
FY 2017	19	109,245	69%	49%
FY 2018	27	23,602	15%	27%
Central Square				
FY 2015	12	143,292	46%	41%
FY 2016	13	46,571	15%	19%
FY 2017	29	80,186	26%	31%
FY 2018	9	35,091	11%	9%
Landmark Central				
FY 2015	25	218,646	78%	53%
FY 2016	15	15,755	6%	14%
FY 2017	16	14,597	5%	13%
FY 2018	15	25,501	9%	20%

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



Hektar REIT Portfolio – Tenancy Expiry Profile

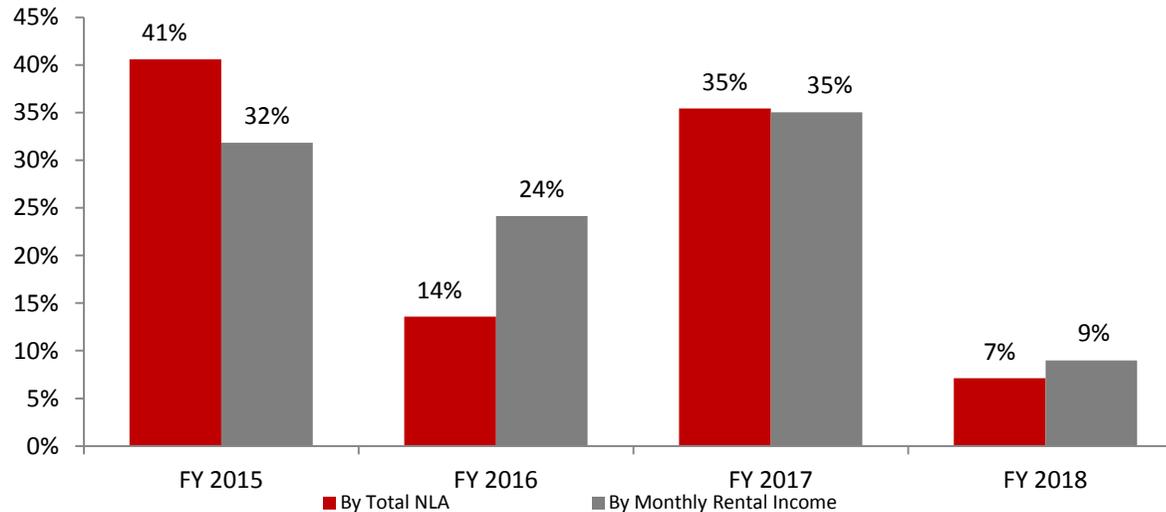
Tenancy Portfolio Expiry Profile 2015 – 2018

- FY2015 - 132 tenancy expiries account for approximately 32% 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	132	708,654	41%	32%
FY 2016	136	236,841	14%	24%
FY 2017	149	618,273	35%	35%
FY 2018	61	123,960	7%	9%



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

Financial Results

- 2Q2015 Gross Revenue up 2.6%; NPI up 5.6% from preceding year ►
- 2Q2015 Net Income (Realised) up 3.4% from preceding year ►
- Hektar REIT Average Cost of Debt at 4.8% ►

Income Statement – Quarter Comparative

2Q2015 Net Income (Realised) up 6.1% vs corresponding quarter 2Q2014

Income Statement Second Quarter 2015 (Unaudited)	2Q15 (RM '000)	2Q14 (RM '000)	Variance (%)
Revenue	30,980	30,194	+ 2.6%
Direct Cost & Property Expenses	(11,327)	(11,575)	- 2.1%
Net Property Income (NPI)	19,653	18,619	+ 5.6%
Interest & Other Income	315	62	+ 405.4%
Total Income	19,968	18,681	+ 6.9%
Trust Fees & Expenses	(2,700)	(2,365)	+ 14.1%
Interest Expense	(5,405)	(4,839)	+ 11.7%
Fair Value Adjustment of Investment Properties			
Net Income Before Tax	11,863	11,477	+ 3.4%
Net Income per Unit (sen)	2.96	2.86	+ 3.4%
- realised	2.96	2.86	+ 3.4%

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 – 30 June 2015
(versus previous comparable period)

Income Statement Year-To-Date (Unaudited)	1H15 (RM '000)	1H14 (RM '000)	Variance (%)
Revenue	62,191	60,371	+ 3.0%
Direct Cost & Property Expenses	(23,918)	(24,149)	- 1.0%
Net Property Income (NPI)	38,273	36,222	+ 5.7%
Interest & Other Income	385	136	+ 182.6%
Total Income	38,658	36,358	+ 6.3%
Trust Fees & Expenses	(5,168)	(4,820)	+ 7.2%
Interest Expense	(10,534)	(9,602)	+ 9.7%
Fair Value Adjustment of Investment Properties			
Net Income Before Tax	22,957	21,936	+ 4.7%
Net Income per Unit (sen)	5.73	5.48	+ 4.7%
- realised	5.73	5.48	+ 4.7%

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 2Q2015

Balance Sheet (Unaudited)	As at 30.06.2015 (RM '000)	As at 31.12.2014 (RM '000)
Non-Current Assets		
Investment Properties	1,060,732	1,060,732
Capital Work in Progress	45,004	21,679
Fixed Deposit with a licensed bank	4,422	4,408
	1,110,158	1,086,819
Current Assets		
Trade Receivables	3,830	2,884
Other Receivables, Deposits, Prepayments	8,209	5,604
Cash and Bank Balances	17,814	14,739
	1,140,011	1,110,046
TOTAL ASSETS	1,140,011	1,110,046
Long Term Liabilities		
Tenancy Deposits	17,122	14,074
Borrowings	466,293	453,876
	483,415	467,950
Current Liabilities		
Trade Payables	1,775	384
Other Payables and Accruals	3,819	5,054
Tenancy Deposits	12,594	14,973
Borrowings	15,000	
	516,604	488,362
TOTAL LIABILITIES	516,604	488,362
NET ASSET VALUE	623,407	621,684
Unitholders' Capital	425,738	425,738
Retained Earnings - realised	43,093	41,370
Retained Earnings - unrealised	154,576	154,576
	623,407	621,684
TOTAL UNITHOLDERS' FUND	623,407	621,684

Unit Price Statistics

As at 30 June 2015

No. of Units Outstanding

400,634,117

Net Asset Value (RM)

1.5561

Unit Price (RM)

1.50

Premium / (Discount) to NAV

(3.6%)

Debt Profile

Debt Profile for 2Q 2015

Debt Information

As at 30 June 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 30 June 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

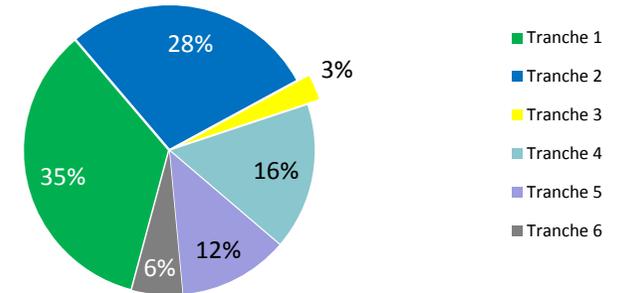
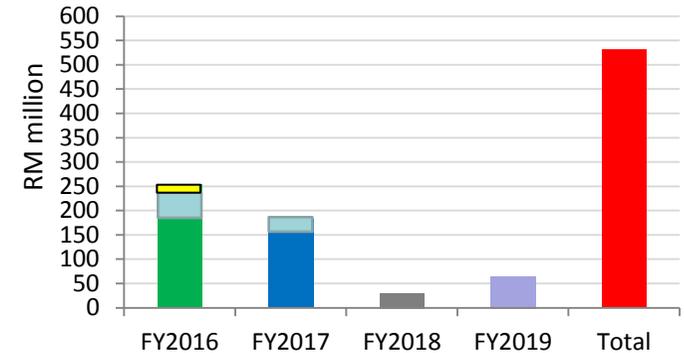
- Term: 5 Years, Expiring 2019
- Pledged: Landmark Central
- Facility Size: RM65 million
- Drawdown: Partially Drawn
- Cost: 4.58%
- Refinancing: February 2019

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 30 June 2015



“Creating The Places Where People Love To Shop”

Investor Relations
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