

THIRD QUARTER 2015 FINANCIAL RESULTS PRESENTATION

27 NOVEMBER 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

Third Quarter FY 2015

1 July 2015 – 30 September 2015

Commentary

- 3Q2015 Interim Distribution Per Unit: 2.6 sen
- Negative reversion recorded in Mahkota Parade and Wetex Parade to fill up long vacant lots and to improve tenancy mix

Operational & Financial Performance Third Quarter)

- Portfolio Occupancy: ~ 97.5%
- Rent Reversions: ~ 2.5%
- Net Income per Unit (Realised) 2.68 sen
vs. previous comparable period/quarter¹: -1.4%
- Distribution per Unit (DPU) 2.60 sen
vs. previous comparable period¹: maintained

¹ 3Q14 Net Income per unit: 2.71 sen

Distribution and Yield

3Q15 DPU:	2.6 sen
3Q14 DPU:	2.6 sen
DPU Yield ² :	6.9%

² Based on total annualized declared DPU of 2.60 sen for 3Q15 and closing price of RM1.51 on 30 Sep 2015.

Distribution Details

Hektar REIT Annual DPU Positive Growth Since IPO

Current Distribution Details

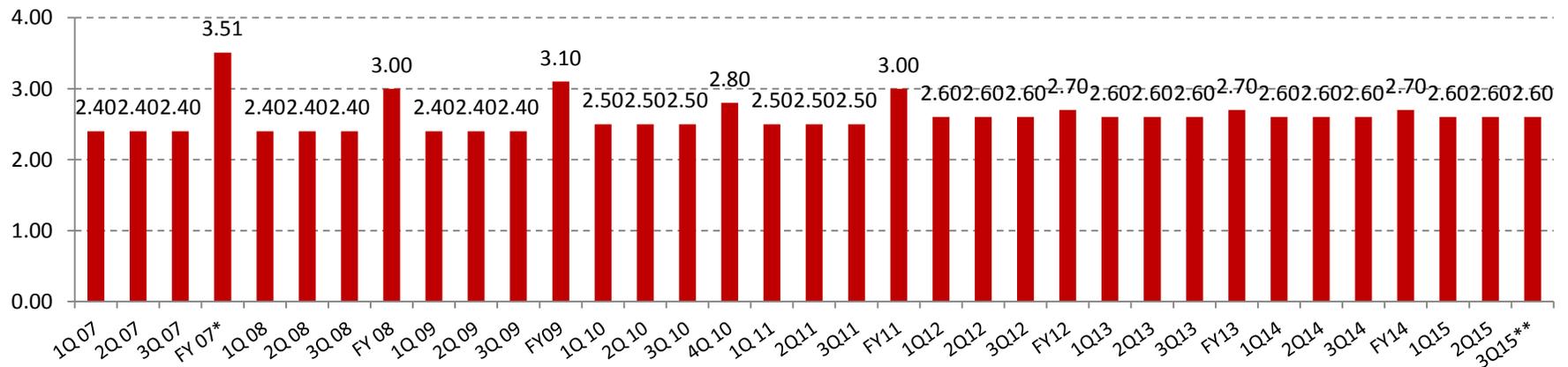
Third Quarter 2015

- Distribution Period: 1 Jul 2015 – 30 Sep 2015
- Quarterly DPU: 2.6 sen
- Notice of Entitlement: 28 Nov 2015
- Ex-Dividend Date: 14 Dec 2015
- Book Closure Date: 15 Dec 2015
- Payment Date: 31 Dec 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



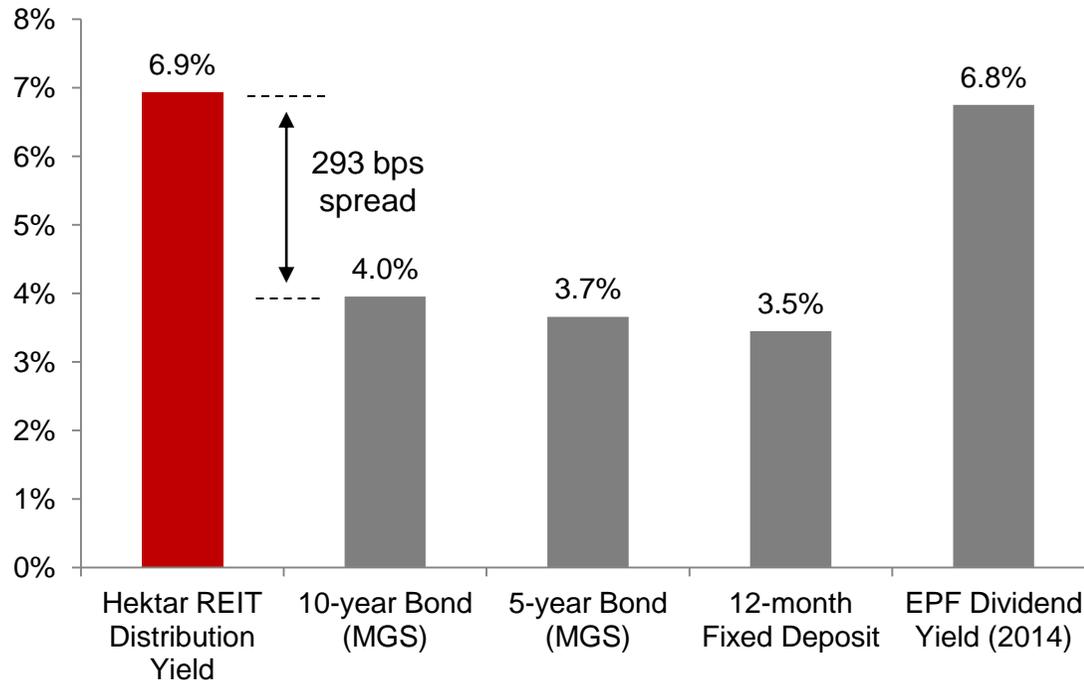
* FY 07 represented a 13 month period from December 2006 to 31 December 2007 ** Declared

Comparative Yields - Malaysia

Hektar REIT Distribution Yield at approximately 6.9%

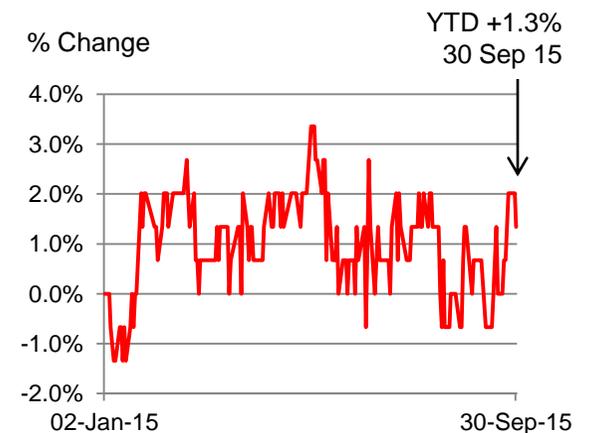
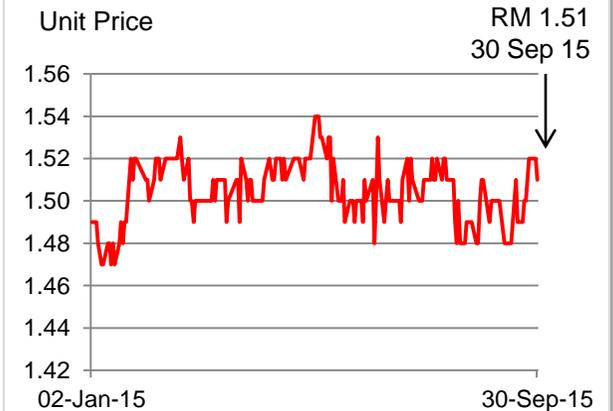
- Traded at a 293 bps spread over MGS 10-year
- Unit Price increased by 1.3% since beginning of the year

Hektar REIT Comparative Yields



Sources: Bloomberg (30 Sep 2015), EPF (Feb 2015), BNM (6 Nov 2015), RHB (18 Jul 2014). Hektar REIT's yield based on closing price of RM1.51 on 30 Sep 2015 and Declared DPU of 2.60 sen, annualised.

Hektar REIT Unit Price Change 3Q 2015 (9 months)



Portfolio Performance

- Overall Occupancy at ~97.5% ►
- Rental Reversions +2.1% for 3Q15 ►
- Tenancy Expiry Profile ►
- 20% of Portfolio Tenancy Rental Income Expires in 2015 ►

Hektar REIT Portfolio - Occupancy

Overall Portfolio Occupancy at ~97.5%

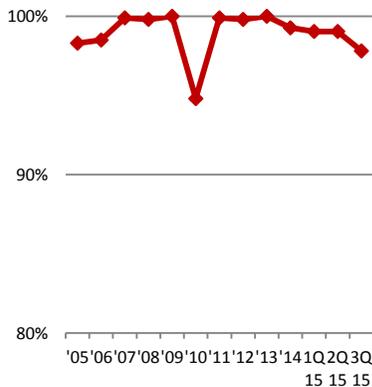
Landmark Central reaches near full occupancy

Hektar REIT Portfolio Occupancy

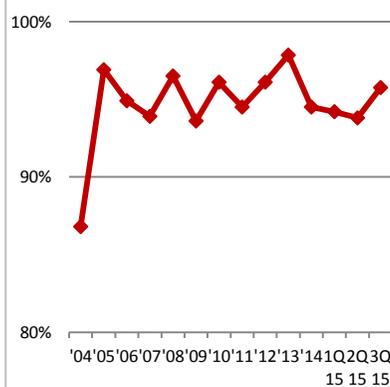
Property	As at 31 Dec 2004	As at 31 Dec 2005	As at 30 Sep 2006	As at 31 Dec 2007	As at 31 Dec 2008	As at 31 Dec 2009	As at 31 Dec 2010	As at 31 Dec 2011	As at 31 Dec 2012	As at 31 Dec 2013	As at 31 Dec 2014	As at 31 Mar 2015	As at 30 Jun 2015	As at 30 Sep 2015
Subang Parade	93.4%	98.3%	98.5%	99.9%	99.8%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

*Approximate average, weighted by Net Lettable Area.

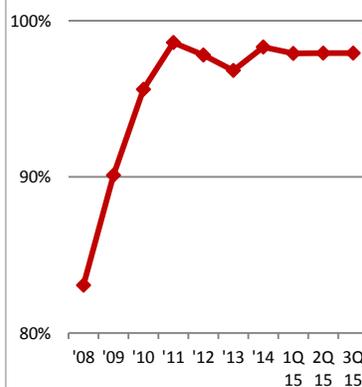
Subang Parade
Occupancy (%)



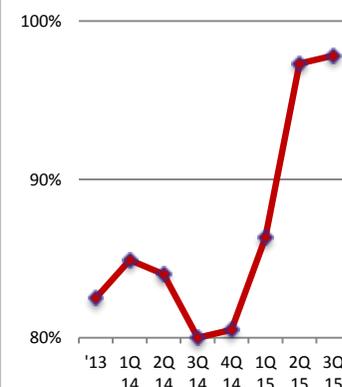
Mahkota Parade
Occupancy (%)



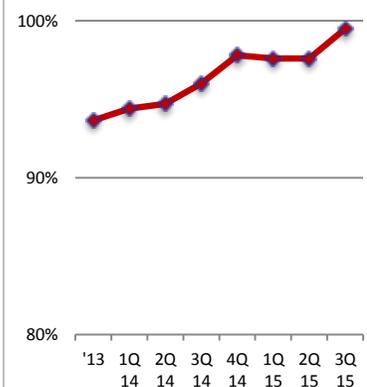
Wetex Parade
Occupancy (%)



Central Square
Occupancy (%)



Landmark Central
Occupancy (%)



Hektar REIT Portfolio – Rental Reversions

Rental Reversions +2.1% for 3Q 2015

- Negative reversion recorded at Mahkota Parade and Wetex Parade

Hektar REIT Rental Reversions: Quarter

Third Quarter (3 months) (Ended 30 Sep)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	Increase / (Decrease) Over Previous Rent Rates	%
Subang Parade	13	146,846	29%		6.5%
Mahkota Parade	9	19,983	4%		-18.6%
Wetex Parade	5	3,707	2%		-6.4%
Central Square	9	5,917	1.9%		11.9%
Landmark Central	14	113,105	40.2%		9.3%
Total / Average*	50	289,558	17%		2.1%

*Average Weighted by NLA.

NLA = Net Lettable Area

Mahkota Parade :
Lower rental provided
to fill up long vacant
lots.

Wetex Parade :
Rent lowered to
introduce different
tenancy mix.

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%

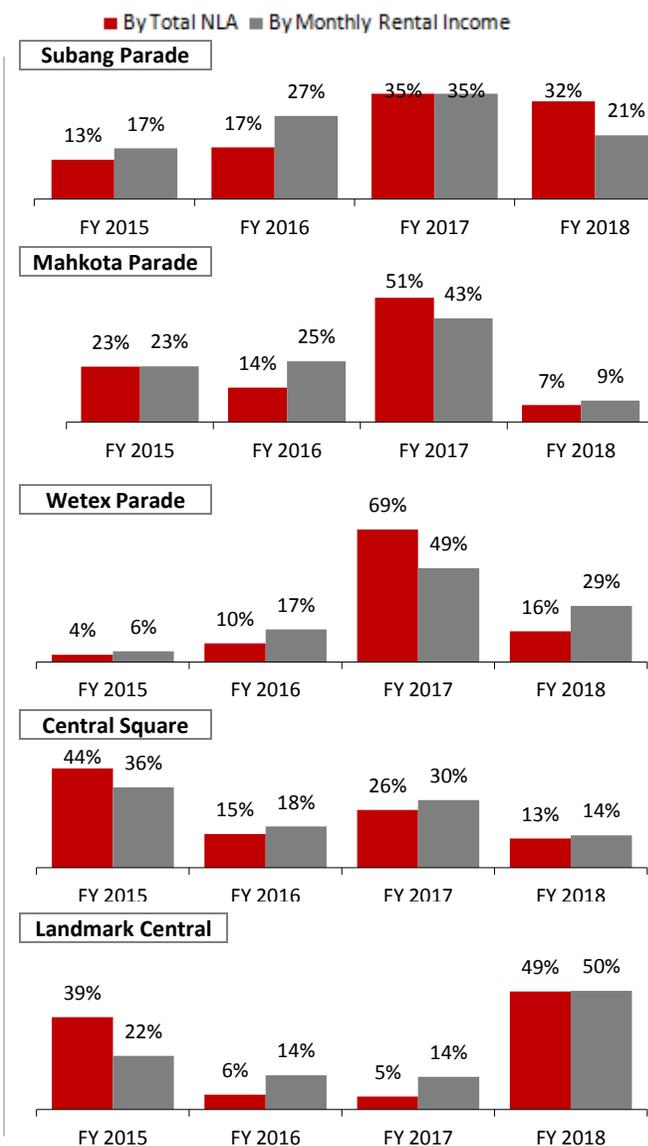
*Average Weighted by NLA.

NLA = Net Lettable Area

Hektar REIT Tenancy Expiry Profile by Property as at 30 September 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	28	65,386	13%	17%
FY 2016	48	86,098	17%	27%
FY 2017	47	175,953	35%	35%
FY 2018	14	162,997	32%	21%
Mahkota Parade				
FY 2015	21	112,662	23%	23%
FY 2016	39	70,228	14%	25%
FY 2017	34	252,467	51%	43%
FY 2018	15	34,495	7%	9%
Wetex Parade				
FY 2015	8	5,888	4%	6%
FY 2016	19	15,435	10%	17%
FY 2017	19	109,245	69%	49%
FY 2018	29	25,270	16%	29%
Central Square				
FY 2015	7	137,735	44%	36%
FY 2016	13	46,571	15%	18%
FY 2017	29	79,952	26%	30%
FY 2018	9	40,670	13%	14%
Landmark Central				
FY 2015	12	108,726	39%	22%
FY 2016	16	17,520	6%	14%
FY 2017	17	15,114	5%	14%
FY 2018	29	138,606	49%	50%

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



Hektar REIT Portfolio – Tenancy Expiry Profile

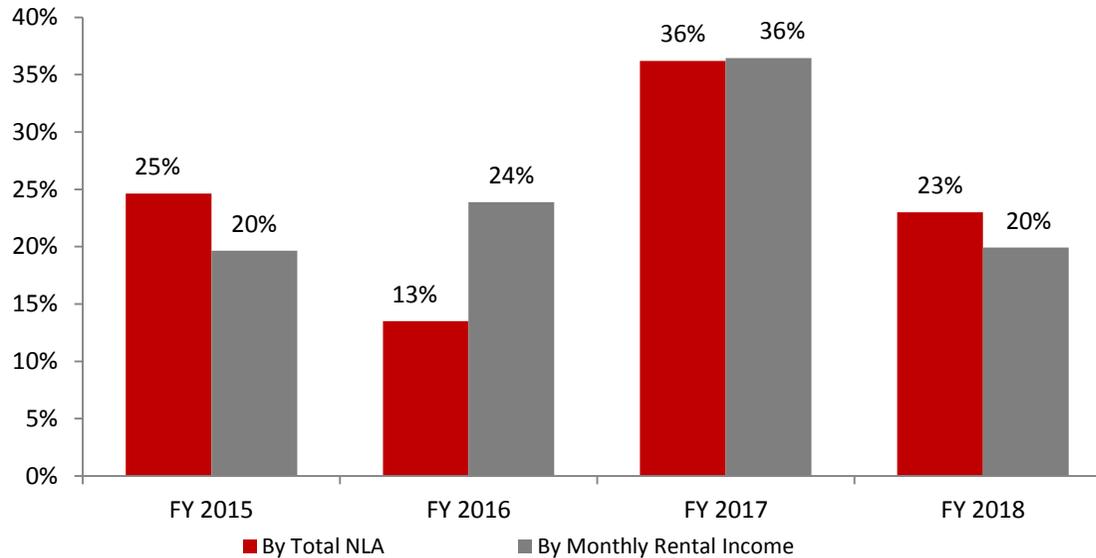
Tenancy Portfolio Expiry Profile 2015 – 2018

- FY2015 - 76 tenancy expiries account for approximately 20% 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 2015	76	430,397	25%	20%
FY 2016	135	235,852	13%	24%
FY 2017	146	632,731	36%	36%
FY 2018	96	402,038	23%	20%



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

Financial Results

- 3Q2015 Gross Revenue up 1.9%; NPI up 2.6% from preceding year ►
- 3Q2015 Net Income (Realised) down 1.4% from preceding year ►
- Hektar REIT Average Cost of Debt at 4.9% ►

Income Statement – Quarter Comparative

3Q2015 Net Income (Realised) down 1.4% vs corresponding quarter 3Q2014

Income Statement Third Quarter 2015 (Unaudited)	3Q15 (RM '000)	3Q14 (RM '000)	Variance (%)
Revenue	31,390	30,792	+ 1.9%
Direct Cost & Property Expenses	(12,715)	(12,595)	+ 1.0%
Net Property Income (NPI)	18,675	18,197	+ 2.6%
Interest & Other Income	124	83	+ 49.7%
Total Income	18,798	18,279	+ 2.8%
Trust Fees & Expenses	(2,346)	(2,470)	- 5.0%
Interest Expense	(5,733)	(4,935)	+ 16.2%
Fair Value Adjustment of Investment Properties			
Net Income Before Tax	10,720	10,875	- 1.4%
Net Income per Unit (sen)	2.68	2.71	- 1.4%
- realised	2.68	2.71	- 1.4%

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 September 2015
(versus previous comparable period)

Income Statement Year-To-Date (Unaudited)	9M15 (RM '000)	9M14 (RM '000)	Variance (%)
Revenue	93,581	91,163	+ 2.7%
Direct Cost & Property Expenses	(36,632)	(36,744)	- 0.3%
Net Property Income (NPI)	<u>56,948</u>	<u>54,419</u>	<u>+ 4.7%</u>
Interest & Other Income	508	219	+ 132.5%
Total Income	<u>57,457</u>	<u>54,638</u>	<u>+ 5.2%</u>
Trust Fees & Expenses	(7,513)	(7,289)	+ 3.1%
Interest Expense	(16,266)	(14,537)	+ 11.9%
Fair Value Adjustment of Investment Properties			
Net Income Before Tax	<u><u>33,677</u></u>	<u><u>32,811</u></u>	<u><u>+ 2.6%</u></u>
Net Income per Unit (sen)	<u>8.41</u>	<u>8.19</u>	<u>+ 2.6%</u>
- realised	<u>8.41</u>	<u>8.19</u>	<u>+ 2.6%</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. 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 3Q2015

Balance Sheet

(Unaudited)	As at 30.09.2015 (RM '000)	As at 31.12.2014 (RM '000)
Non-Current Assets		
Investment Properties	1,060,732	1,060,732
Capital Work in Progress	60,147	21,679
Fixed Deposit with a licensed bank	635	4,408
	1,121,513	1,086,819
Current Assets		
Trade Receivables	3,522	2,884
Other Receivables, Deposits, Prepayments	5,874	5,604
Cash and Bank Balances	21,853	14,739
	1,152,762	1,110,046
TOTAL ASSETS		
Long Term Liabilities		
Tenancy Deposits	14,630	14,074
Borrowings	478,751	453,876
	493,381	467,950
Current Liabilities		
Trade Payables	1,312	384
Other Payables and Accruals	3,751	5,054
Tenancy Deposits	15,606	14,973
Borrowings	15,000	
	529,050	488,362
TOTAL LIABILITIES		
NET ASSET VALUE		
	623,711	621,684
Unitholders' Capital	425,738	425,738
Retained Earnings - realised	43,397	41,370
Retained Earnings - unrealised	154,576	154,576
	623,711	621,684
TOTAL UNITHOLDERS' FUND		

Unit Price Statistics

As at 30 Sep 2015

No. of Units Outstanding

400,634,117

Net Asset Value (RM)

1.5568

Unit Price (RM)

1.51

Premium / (Discount) to NAV

(3.0%)

Debt Profile

Debt Profile for 3Q 2015

Debt Information

As at 30 September 2015

- Total Debt: **RM494 million**
- Weighted Cost of Debt: **4.9%**
- Gearing Ratio¹: **42.8%**
- Interest Cover²: **3.07**

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

² Based on quarter ended 30 September 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: 4.60%
- Refinancing: January 2016

Tranche 4

- Term: 5 Years, Expiring 2016/17
- Pledged: Wetex Parade
- Facility Size: RM87.1 million
- Drawdown: Fully Drawn
- Cost: 4.88%
- Refinancing: December 2016 & October 2017

Tranche 5

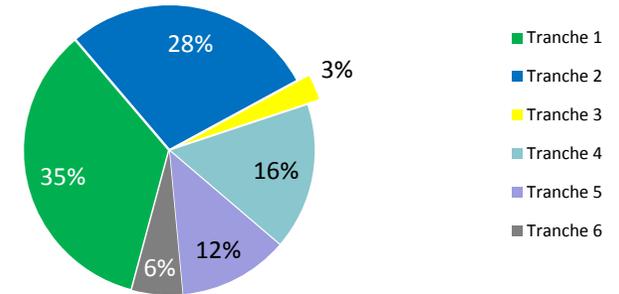
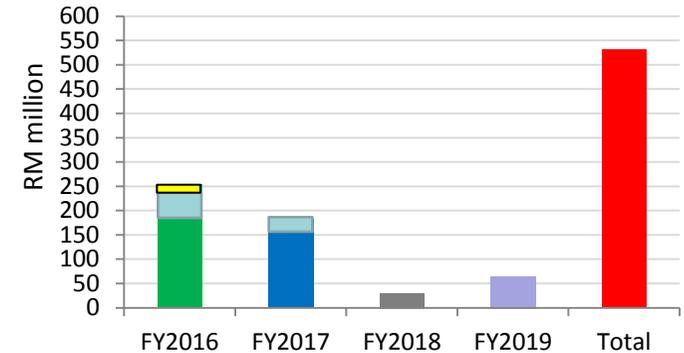
- Term: 5 Years, Expiring 2019
- Pledged: Landmark Central
- Facility Size: RM65 million
- Drawdown: Partially Drawn
- Cost: 4.78%
- Refinancing: February 2019

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 30 September 2015



“Creating The Places Where People Love To Shop”

Investor Relations
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