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**Hektar REIT FY2015 Results**  
*Revenue and Net Property Income up by 3.6%*  
*Stable performance amidst gloomy market conditions*

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**Kuala Lumpur, February 16, 2016** – Hektar Real Estate Investment Trust (“Hektar REIT”) announced its financial results for the fourth quarter ended 31 December 2015 today. Revenue reached RM31.9 million whilst Net Property Income (“NPI”) was achieved at RM19.5 million, both increased by 3.6% from the previous year’s corresponding quarter. For the cumulative period of twelve months ended 31 December 2015, gross revenue was recorded at RM 125.5 million, up 2.9% over the twelve months ended 31 December 2014. NPI has also improved by 4.4% to RM 76.5 million.

The realised net income for the financial year remained positive, up 1.0% from the previous financial year, where realised net income per unit is now recorded at 11.2 sen. However, net income (which includes unrealised income) fell from RM 50.4 million in the previous financial year to RM 4.8 million for the cumulative twelve months ending 31 December 2015 (“FY2015”) due to fair value adjustment arising from revaluation of our assets (corresponding from a net loss of RM 28.9 million recorded for the fourth quarter). This is a non-cash item and the revaluation loss arose mainly due to timing issue.

“The fair value loss arose as we need a longer time to crystallise the returns to our investments. At Mahkota Parade, we have acquired individual lots and embarked on an asset enhancement initiative (“AEI”) to increase the number of screens at our cinema. While the capital expenses were incurred and recognised upfront in our books, it will take longer than a year for them to generate additional income to improve Mahkota Parade’s overall market value. The same applies for the AEI spent to revitalise Central Square, where income returns would require several rental cycles to recover the amount spent,” said Chief Executive Officer of Hektar Asset Management Sdn Bhd, Dato’ Jaafar Abdul Hamid.

“In terms of revenue, net property income and realised net income, Hektar REIT has still recorded positive results despite facing gloomy market conditions. The retail sentiment has been very low, where consumers have reduced spending amidst market uncertainties and retailers were consolidating due to tough operating circumstances. I am pleased that we have weathered through the tough year with the geographical diversification from our portfolio of assets,” Dato’ Jaafar continued.

Hektar REIT’s portfolio of shopping malls include Subang Parade in Subang Jaya, Selangor, Mahkota Parade in Melaka, Wetex Parade in Muar, Johor, Central Square in Sungai Petani,

Kedah and Landmark Central in Kulim, Kedah. The portfolio's catchment serves a market size of 3.0 million shoppers. As at 31 December 2015, the portfolio had an average occupancy of 96.6% and recorded over 30.5 million shopper visits.

Hektar declared a final distribution per unit (DPU) of 2.7 sen. The Book Closing Date is March 3, 2016 and the payment of the final quarter dividend payment will be made on March 18, 2016.

Following the previous three quarterly DPU distributions of 2.60 sen per unit, Hektar REIT's FY2015 DPU is 10.50 sen. Based on the closing price of RM1.52 on 31 December 2015; FY2015 DPU represented a dividend yield of approximately 6.9%.

Hektar REIT maintains a dividend 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.

<b>Overview of Hektar REIT Financial Results (unaudited)</b>	<b>FY 2015 (12 months) (RM '000)</b>	<b>FY 2014 (12 months) (RM '000)</b>	<b>Variance (%)</b>
Gross Revenue	125,511	121,991	+ 2.9%
Direct Cost & Property Expenses	(49,028)	(48,714)	+0.6%
Net Property Income (NPI)	76,483	73,277	+4.4%
Net Income - Realised	44,693	44,261	+1.0%
Net Income	4,759	50,387	(90.6)%
Net Income Per Unit – Realised (sen)	11.16	11.05	+1.0%
Dividend Per Unit (DPU) (sen)	10.50	10.50	-

For further information, please log on to [www.bursamalaysia.com](http://www.bursamalaysia.com)

## **ABOUT HEKTAR REIT**

Hektar Real Estate Investment Trust (“Hektar REIT”) 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 1.8 million square feet of retail space in Selangor, Melaka, Johor and Kedah with assets valued at RM1.09 billion in December 2015. 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 (“Manager”), which is focused on the development and management of retail shopping centres.

For more information, please visit [www.HektarREIT.com](http://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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