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**Hektar REIT 4Q16 Results**  
***AEI and Acquisition in Progress***  
***Final Distribution per Unit declared at 2.70 sen***

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**Kuala Lumpur, February 14, 2017** – Hektar Asset Management Sdn Bhd (“Hektar”) announced that Hektar Real Estate Investment Trust (“Hektar REIT”) recorded a marginally lower revenue of RM 31.2 million for the fourth quarter ended 31 December 2016 (“4Q16”), down 2.4% compared to the corresponding period in 2015 (“4Q15”). Net Property Income (“NPI”) is RM 18.7 million, down by 4.1% over 4Q15 due to higher service and maintenance charges. This is followed by a lower realised net income of RM 10.4 million, down 5.6% from 4Q15. Net income is higher by 142%, mainly contributed by the fair value gain from revaluation of investment properties (as opposed to fair value loss recorded in 4Q15).

For the cumulative twelve months ended 31 December 2016, realised net income was recorded at RM 41.5 million, 7.0% lower than the preceding year’s corresponding period.

“Occupancy rate for the portfolio as at 31 December 2016 has remained high at 96.2% amidst weak retail sentiment. This is well above the national average occupancy rate for malls of 82%. Several initiatives focused at enhancing shoppers’ experiences like providing security escort to car park and mobile charging facilities, amongst other initiatives were put in place to boost the footfall at our malls. Our mall in Muar, Wetex Parade has even reached full occupancy since mid-2016,” said the Chief Executive Officer of Hektar Asset Management Sdn Bhd, Dato’ Hisham bin Othman.

“Gross revenue was flattish for FY2016 when compared to FY2015 (down by 0.7%), with no additional net lettable area (“NLA”) added to the portfolio during the period. However, NLA is planned to be increased significantly in NLA in 2017, following the completion of our proposed acquisition of 1Segamat Shopping Centre and the asset enhancement initiative (“AEI”) at Landmark Central. Approximately 220,000sf of NLA will be added from the proposed acquisition and another 20,000sf from the AEI. The additional lease area will translate into additional income as 1Segamat is already recording occupancy rate of 96% whilst Landmark Central has been enjoying healthy reversion rates since our acquisition in 2012. 2017 will be an exciting year for Hektar REIT with asset growth as our main focus. We will also be undertaking an AEI at Subang Parade, which is targeted to be completed in mid-2018,” he added.

Hektar declared a fourth quarter distribution per unit (DPU) of 2.70 sen. The Book Closing Date is March 1, 2017 and the payment of the fourth quarter distribution will be made on March 16, 2017. Based on the closing price of RM1.56 on 30 December 2016, the FY2016 DPU represented a dividend yield of approximately 6.7%.

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.

Overview of Hektar REIT Financial Results (unaudited)	4Q 2016 (3 months) (RM '000)	4Q 2015 (3 months) (RM '000)	Variance (%)
Gross Revenue	31,167	31,931	(2.4%)
Direct Cost & Property Expenses	(12,438)	(12,396)	(0.3%)
Net Property Income (NPI)	18,729	19,534	(4.1%)
Net Income – Realised	10,396	11,016	(5.6%)
Net Income	12,008	(28,918)	141.5%
Net Income Per Unit – Realised (sen)	2.59	2.75	(5.6%)
Distribution Per Unit (DPU) (sen)	2.70	2.70	-

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 with assets valued at RM1.09 billion in 31 December 2016. 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 management of retail shopping centres.

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 2016, the portfolio had an average occupancy of 96.2% and recorded over 30.1 million shopper visits.

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

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## 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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