
Hektar REIT 1Q18 Results

Gross Revenue and Net Property Income increased 10%,

Realised Income rose 11.7%

Positive Eleven-Year Track Record

Hektar REIT remains resilient

Kuala Lumpur, May 21, 2018 – Hektar Asset Management Sdn Bhd, the Manager of Hektar Real Estate Investment Trust (“Hektar REIT”) announced that Hektar REIT recorded a higher revenue of RM34 million for the first quarter ended 31 March 2018 (“1Q18”), up 10.0% from the corresponding period (“1Q17”). Net Property Income (“NPI”) reached RM19.4 million, an increase of 9.8% from preceding year’s quarter and realised income rose 11.7% for 1Q18.

Hektar REIT declared a first interim distribution per unit (“DPU”) of 2.30 sen. The Book Closing Date is June 6, 2018 and payment of the distribution will be made on June 22, 2018. Based On the closing price of RM1.18 on March 30, 2018, the annualised DPU for the year represented a distribution yield of approximately 7.8%. 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.

“With commencement of the new tenancies in Kulim Central post-refurbishment and successful tenant remixing exercises in Mahkota Parade as well as Central Square, this quarter saw the portfolio reached a healthy rental reversion of 7%. The recent acquisition of Segamat Central and the REIT’s continuous efforts in optimizing its portfolio has also contributed significantly. Just 6 months in since its acquisition, approximately 9% of the overall portfolio’s income is already generated by Segamat Central, proving that it is on track to achieve the projected 10% it was expected to contribute by the first year,” said Chief Executive Officer, Dato’ Hisham bin Othman.

“We have also embarked on numerous initiatives to reduce waste, conserve resources as well as minimize our carbon footprint to double up our sustainability efforts. We have undertaken efforts focused at improving water management and effective management of energy consumption. By installation of a new energy-efficient air-conditioning & mechanical ventilation (ACMV) system at Subang Parade, we have managed to optimize overall

consumption which will result in direct savings in electricity cost. This model will be replicated at selected malls in our portfolio and is expected to result in substantial savings overall,” added Dato’ Hisham.

Hektar REIT’s portfolio consists of mostly neighbourhood shopping centres, which in general are more resilient than city shopping centres in weaker economic conditions. Hektar REIT’s total portfolio has a combined net lettable area of 2.0 million square feet and has a healthy 94% overall occupancy. 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 Kulim Central in Kulim, Kedah, and Segamat Central, Segamat, Johor. The portfolio’s catchment serves a market size of 3.0 million shoppers.

Overview of Hektar REIT Financial Results	FY 2018 (3 months) (RM ‘000)	FY 2017 (3 months) (RM ‘000)	Variance (%)
Gross Revenue	33,960	30,857	10.1
Direct Cost & Property Expenses	(14,536)	(13,170)	(10.4)
Net Property Income (NPI)	19,423	17,688	9.8
Net Income - Realised	10,411	9,322	11.7
Net Income	10,676	9,621	11.0
Net Income Per Unit – Realised (sen)	2.25	2.33	(3.4)
Distribution Per Unit (DPU) (sen)	2.30	2.30	-

For further information, please log on to 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 2.0 million square feet of retail space in Selangor, Melaka, Johor and Kedah with assets valued at RM1.2 billion as at 30 September 2017. The primary objectives of Hektar REIT are to provide unitholders with sustainable distribution income and to achieve long-term capital appreciation of the REIT.

Hektar REIT is managed by Hektar Asset Management Sdn Bhd (“the Manager”), which is focused on the development and management of retail shopping centres.

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.

For more information, please contact:

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